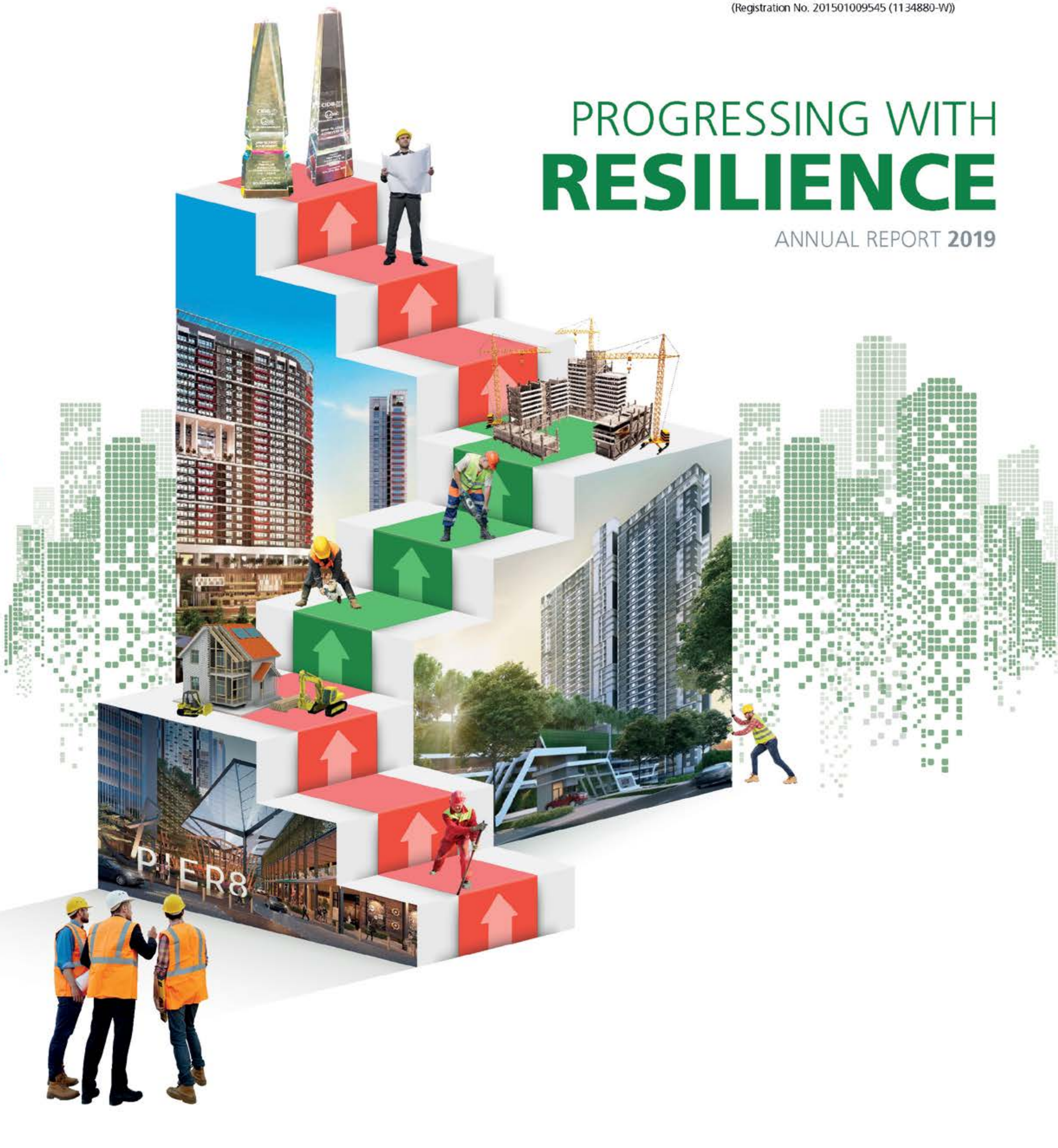
INTA BINA

INTA BINA GROUP BERHAD
(Registration No. 201501009545 (1134880-W))

PROGRESSING WITH **RESILIENCE**

ANNUAL REPORT **2019**



INTA AT A GLANCE

Revenue
411.6
million
FYE 2018: RM383.1 mil

Profit After Tax
22.4
million
FYE 2018: RM21.2 mil

Unbilled Order Book of
600
million
FYE 2018: RM650 mil

Total Assets
392.4
million
FYE 2018: RM362.3 mil

Return on Equity

16.4

FYE 2018: 17.5%

Gearing Ratio of

0.29x

FYE 2018: 0.28x

Net Assets Per Share

25.6
sen

FYE 2018: RM22.6 sen

inta BINA

over **30 years** of experience in the Construction Industry

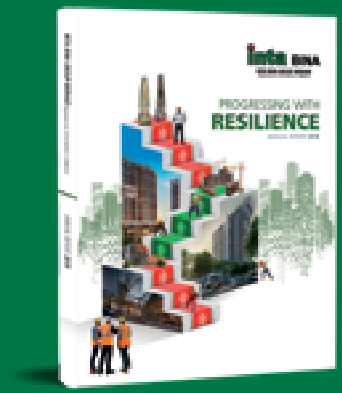
TRANSFER FROM **ACE MARKET** TO

MAIN MARKET ON **25 OCTOBER 2018**

Group Shareholders' Funds

136.8
million

FYE 2018: RM121.1 mil



PROGRESSING WITH RESILIENCE

At Inta Bina, our repute for timely delivery of quality work has built enduring and mutually enriching relationships with a host of established clients. Like progressive steps, every successful completion of a project elevates our standing, repute and ability to secure new projects. The cover also depicts the Company's involvement in diverse projects, as reflected by the pictures, and dynamic ongoing portfolio which is rendered in illustrated graphics. Steady progress and focus is denoted by the upward arrows in corporate red and green. The human elements within the design reflect the skilled capabilities and expertise of our human resources and the strategic partnership the Company offers every client.

Our **Vision**

To be the **preferred choice builder** and to ensure **sustainable returns** to stakeholders.

Our **Motto**

Your **Partner** in Construction.

Our **Mission**

- To **embrace** industry best practices, set standards of excellence, meet timelines and doing right the first time and everytime,
- To **develop** a dynamic team through effective communication, empowerment, enhanced cooperation and continuous equipping.
- To **establish** credibility by meeting goals, achieving growth, generating profits and meriting exceptional work.

INSIDE THIS **REPORT**

OUR CORE VALUES & DECLARATION

OUR CORE VALUES

- Inta Bina is ours
- Passionate and proactive
- Innovative and immovable
- Considerate and compassionate
- Teachable and teamwork
- United and unafraid
- Respect and restore
- Excellent and effective

OUR DECLARATION

We aim to be:

- Passionate and proactive in everything we do
- Innovative and immovable in everything we encounter
- Considerate and compassionate to others
- Teachable and teamwork to always improve
- United and unafraid to face the future
- Respectful and restoring to the environment
- Excellent and effective in our approach to work

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Lim Pang Kiam
Independent Non-Executive Chairman

Lim Ooi Joo
Managing Director

Teo Hock Choon
Deputy Managing Director

Ahmad Bin Awi
Executive Director

Chau Yik Mun
Executive Director

Yap Yoon Kong
Senior Independent
Non-Executive Director

Dato' Sia Thian Sang
Independent Non-Executive Director

Roshita Binti Sahadan
Independent Non-Executive Director

AUDIT COMMITTEE
Yap Yoon Kong (Chairman)
Lim Pang Kiam (Member)
Dato' Sia Thian Sang (Member)
Roshita Binti Sahadan (Member)

REMUNERATION COMMITTEE
Dato' Sia Thian Sang (Chairman)
Yap Yoon Kong (Member)
Lim Pang Kiam (Member)
Roshita Binti Sahadan (Member)

NOMINATING COMMITTEE
Yap Yoon Kong (Chairman)
Lim Pang Kiam (Member)
Dato' Sia Thian Sang (Member)
Roshita Binti Sahadan (Member)

RISK MANAGEMENT COMMITTEE
Lim Ooi Joo (Chairman)
Teo Hock Choong (Member)
Yap Yoon Kong (Member)
Lim Pang Kiam (Member)
Dato' Sia Thian Sang (Member)

COMPANY SECRETARY
Siew Suet Wei
(MAICSA NO.: 7011254)
SSM Practicing
Certificate No. 202008001690
Lim Yen Teng (LS0010182)
SSM Practicing
Certificate No. 201908000028

HEAD OFFICE
13, 15 & 17 (1st Floor)
Jalan SS15/8A, Subang Jaya
47500 Petaling Jaya, Selangor
Tel : 03-5637 9093
Email : admin@intabina.com
Website : www.intabina.com

REGISTERED OFFICE
No. 5-9A, The Boulevard Offices
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2282 6331
Fax : 03-2201 9331

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

PRINCIPAL BANKERS
Malayan Banking Berhad
Subang Business Centre
2nd Floor, B-13, Jalan USJ25/1
Garden Shoppe, One City
47650 Subang Jaya, Selangor
Tel : 03-5036 7252

AmBank (M) Berhad
Wholesale Banking
Level 18, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2026 3939

AUDITORS
Baker Tilly Monteiro Heng PLT (LLP0019411-LCA & AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03-2297 1000

STOCK EXCHANGE LISTING
Main Market Listing of
Bursa Malaysia Securities Berhad
Stock Name : INTA
Stock Code : 0192

CORPORATE
STRUCTURE

INTA BINA GROUP BERHAD ("IBGB") IS AN INVESTMENT HOLDING COMPANY WITH ONE WHOLLY-OWNED SUBSIDIARY, INTA BINA SDN. BHD. ("IBSB"). THROUGH IBSB, THE GROUP IS PRINCIPALLY INVOLVED IN SECURING AND CARRYING OUT CONSTRUCTION CONTRACTS.


P143 – Gravit8 Klang, Selangor

IBGB

- Investment holding
- Incorporated in 2015 to facilitate the listing of our Group

IBSB

- More than 30 years operating history in the construction industry in Malaysia
- Registered as G7 contractor with CIDB – B04 (Building General Works) and CE21 (General Civil Engineering Works)
- Completed more than 127 construction building projects mostly in Klang Valley and Johore with total contract value of more than RM3.09 billion.

BOARD OF **DIRECTORS**

DATO' SIA THIAN SANG
Independent Non-Executive Director

LIM PANG KIAM
Independent Non-Executive Chairman

AHMAD BIN AWI
Executive Director

ROSHITA BINTI SAHADAN
Independent Non-Executive Director

DIRECTORS' **PROFILES**

LIM PANG KIAM

Independent Non-Executive Chairman

Malaysian

57/Male

Date appointed
15 April 2016

- Bachelor of Science (Honours) in Housing, Building, and Planning from Universiti Sains Malaysia
- Master of Science in Planning from Universiti Sains Malaysia
- Certified Financial Planner, Financial Planning Association of Malaysia
- Certified Risk Professional from the Bank Administration Institute for Certification from USA
- Member of the Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia)
- Member of the Malaysian Institute of Accountants (MIA) and ASEAN Chartered Professional Accountants (ASEAN CPA)
- Fellow Member of the Chartered Institute of Management Accountants
- Member of the Chartered Global Management Accountant
- Fellow Member of the Institute of Corporate Directors Malaysia

No of Board meetings attended in the financial year
5/5

Experience
He has been in the banking industry for over 15 years holding various senior positions which include banking operation, commercial and corporate banking and investment banking.

He left the industry in 2004 to become business owner and held executive and non-executive directorships in public and private enterprises in Malaysia.

Mr. Lim is also actively involved in NGO, serving as a Director and Council Member at Tung Shin Hospital, Kuala Lumpur, a well known private hospital in Malaysia.

Membership in Board Committee(s)
- Member, Audit Committee
- Member, Nominating Committee
- Member, Remuneration Committee
- Member, Risk Management Committee

Directorship in other public companies
- Independent Non-Executive Director, Engtex Group Berhad
- Independent Non-Executive Chairman, SDS Group Berhad
- Independent Non-Executive Director, K.Seng Seng Corporation Berhad

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

Malaysian

67/Male

Date appointed
15 April 2016

- Bachelor of Science in Civil Engineering from the University of Saskatchewan, Canada
- Member of The Institution of Engineers Malaysia

No of Board meetings attended in the financial year
5/5

Experience
He began his career in 1979 as an Assistant Resident Engineer with the Public Works Department under the Ministry of Health Malaysia, during which he was responsible for the supervision and monitoring of the foundation construction of several substructures in Klang and Kuala Terengganu. He left public service as the Assistant Resident Engineer to join Syarikat Manong Sdn Bhd in 1983 as a Site Agent with his last position there being Planning and Costing Engineer. In 1988, he decided to participate in his family business by joining Inta Bina Sdn Bhd (then known as Sungai Muhibah Sdn Bhd).

He is considered an industry veteran with more than 30 years of experience in the construction industry.

Membership in Board Committee(s)
- Chairman, Risk Management Committee

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

LIM OOI JOO

Managing Director

DIRECTORS' PROFILES

Malaysian

62/Male

Date appointed
15 April 2016

- Diploma in Technology (Building) from Tunku Abdul Rahman College

No of Board meetings attended in the financial year
5/5

Experience
He is considered an industry veteran having accumulated more than 30 years of experience in the construction industry. He began his career in 1982 at Dindings Consolidated Sdn Bhd as a Project Coordinator. He left the company in 1986 to join Megaria Sdn Bhd as a Director and was attached to the company until 1990. He became Director of Autron Sdn Bhd in 1990 and left the company in 1995. In late 1995, he joined Inta Bina Sdn Bhd as Executive Director and has served the Company since then.

Membership in Board Committee(s)
- Member, Risk Management Committee

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

TEO HOCK CHOON

Deputy Managing Director

AHMAD BIN AWI

Executive Director

Malaysian

50/Male

Date appointed
15 April 2016

- Certificate of Participation on OHSAS 18000/ISA 2000 for Effective Safety and Health Management Systems from Malaysian Society for Occupational Safety and Health

No of Board meetings attended in the financial year
5/5

Experience
He began his career as a Tower Crane Coordinator for Kemas Construction Berhad in 1991 and was attached to the company until 1994. He subsequently joined Amseal Engineering Sdn Bhd in 1994 and left the company in 1995 to join PJ Development Holdings Berhad as a Tower Crane Operator. He left PJ Development Holdings Berhad in 1997 to join Inta Bina Sdn Bhd (then known as PJD Builders Sdn Bhd) also as a Tower Crane Operator. In Inta Bina Sdn Bhd, he was subsequently promoted to Safety Officer and Executive Director in 2000 and 2010 respectively.

He has more than 20 years of experience in the field of safety practices in the construction industry.

Membership in Board Committee(s)
- None

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

DIRECTORS' PROFILES

Malaysian

47/Male

Date appointed
15 April 2016

- Bachelor of Engineering (Civil) from Universiti Teknologi Malaysia
- Diploma in Civil Engineering from Politeknik Port Dickson

No of Board meetings attended in the financial year
5/5

Experience
In 1995, he began his career with APG Geo-Systems Sdn Bhd as Site Supervisor and later, upon completion of his diploma studies, he joined Sang Yong Engineering & Construction Co Ltd also as Site Supervisor. He then joined Suteraplex Sdn Bhd in 1998 as a Senior Site Supervisor while pursuing his undergraduate studies on a part time basis. In 1999, he joined Inta Bina Sdn Bhd (then known as PJD Builders Sdn Bhd) as a Senior Site Supervisor. Within Inta Bina Sdn Bhd, he was subsequently promoted to Assistant Site Agent in 2001, Site Engineer in 2002, Assistant Project Manager in 2005, Project Manager in 2007, Project Director in 2009 and Director (Project) in 2015.

He has more than 20 years of site supervisory, civil engineering and managerial experience in the construction industry particularly on building construction.

Membership in Board Committee(s)
- None

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

CHAU YIK MUN
Executive Director

Malaysian

63/Male

Date appointed
15 April 2016

- Bachelor of Accounting (Honours) from University Malaya
- Master of Business Administration from the Cranfield Institute of Technology, United Kingdom
- Chartered Accountant and Member of Malaysian Institute of Accountants
- Member of the Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia)

No of Board meetings attended in the financial year
5/5

Experience
He has vast experience in the field of banking, financial and management accounting, financial analysis, corporate affairs, budgeting and cashflow forecasting and tax planning. He has held positions as Financial Controller of other public listed companies and Deputy Manager of a large commercial banking group. He was an Executive Director of another public company listed on the Main Board of Bursa Malaysia Securities Berhad before retiring in 2016.

Membership in Board Committee(s)
- Chairman, Audit Committee
- Chairman, Nominating Committee
- Member, Remuneration Committee
- Member, Risk Management Committee

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

YAP YOON KONG
Senior Independent Non-Executive Director

Malaysian

58/Male

Date appointed
15 April 2016

- Bachelor of Law (Honours) from University Malaya

No of Board meetings attended in the financial year
5/5

Experience
He was called to the Malaysian Bar in 1987 and is presently, the Managing Partner of Messrs Khaled Mutang Chan & Lim, a law firm situated in Kuala Lumpur with a branch office in Kajang, Selangor. He specialises in property conveyancing, banking, finance and land joint venture matters. He is a member of the Disciplinary Committee Panel of the Advocates & Solicitors Disciplinary Board pursuant to Section 96 of the Legal Profession Act 1976 from 29 February 2020 to 28 February 2022.

Membership in Board Committee(s)
- Chairman, Remuneration Committee
- Member, Audit Committee
- Member, Nominating Committee
- Member, Risk Management Committee

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

DATO' SIA THIAN SANG

Independent Non-Executive Director

ROSHITA BINTI SAHADAN

Independent Non-Executive Director

Malaysian

50/Female

Date appointed
1 January 2018

- Bachelor of Science (Honours) in Mechanical Engineering from Universiti Sains Malaysia
- Certificate of MEDEC (Business School) from Universiti Institut Teknologi Mara

No of Board meetings attended in the financial year
5/5

Experience
She started her career with Land & General Berhad as a project engineer in 1994. She left Land & General Berhad in 1997 to join Bandar Sungai Buaya Development Sdn Bhd up to 2001 and then re-joined Land & General Berhad until 2008.

Presently, she is an Managing Director of Arte Prestige Sdn Bhd and Executive Director and shareholder of Shabiru (1990) Sdn Bhd. She involved more as project consultant, project coordinator in design and build project either in government or private sector such as Laman VVIP at Selangor Fruit Farm Valley, upgrading of Pasar Borong Selangor, SMART Centre for authority, Memorial Tun Hussein Onn, upgrading works for Palace, upgrading work for institution, SMART home and small scale of townhouse.

Membership in Board Committee(s)
- Member, Audit Committee
- Member, Remuneration Committee
- Member, Nominating Committee

Directorship in other public companies
- None

Declaration of conflict of interest or any family relationship with any other director and/or major shareholders
She has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

Declaration on conviction of offences within the past 5 years
She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

KEY SENIOR MANAGEMENT'S **PROFILES**

TEO KOH YOU
FINANCIAL CONTROLLER

NATIONALITY **MALAYSIAN**

AGE/GENDER **71/MALE**

Date of Appointment	10 December 2002
Qualifications	• Member of the Malaysian Institute of Accountants • Fellow Member of the Association of Chartered Certified Accountants, UK • Member of the Malaysian Institute of Chartered Secretaries and Administrators
Experience	Mr. Teo Koh You is responsible for our Group's finance and accounting functions as well as reporting to our Board pertaining to financial matters of our Group. He also sits on our internal advisory panel which consists of himself, Lim Ooi Joo, Teo Hock Choon, Ahmad Bin Awi and Chau Yik Mun. The internal advisory committee is in charge of overseeing the award of contracts to subcontractors for the projects undertaken by our Group and making decisions on tender participation and purchase of machinery and equipment. He has accumulated more than 29 years of working experience in the accounting and finance field. He joined John Lysaght (M) Sdn. Bhd. (currently known as NS BlueScope Lysaght Malaysia Sdn. Bhd.) in 1979 as an Accountant for 19 years before leaving in 1998 with his final position being Financial Controller cum Company Secretary, a position he was promoted to in 1994. He joined Commway Systems Sdn. Bhd. as a General Manager cum Director in 1998 where he was responsible for managing the daily operations of the company before leaving in 2002 to join IBSB as our Financial Controller, a position he has held until now.
Family Relationship	Mr. Teo Koh You is the brother-in-law of Mr. Lim Ooi Joo, the Managing Director and Major Shareholder of Inta Bina Group Berhad.

FOONG JYI CHYUAN
ASSISTANT SENIOR CONTRACT MANAGER

NATIONALITY **MALAYSIAN**

AGE/GENDER **38/MALE**

Date of Appointment	16 September 2005
Qualifications	• Diploma in Technology (Building) and Advanced Diploma in Technology (Building) from Tunku Abdul Rahman College • Bachelor of Science in Building Economics and Quantity Surveying from Heriot-Watt University, UK
Experience	Mr. Foong Jyi Chyuan is responsible for supervising the day-to-day operations of our Contract Department under the direct supervision of Mr. Teo Hock Choon, our Deputy Managing Director. He began his career with Inta Bina Sdn. Bhd. in 2005 as a Junior Contract Executive while he was studying part-time for his advanced diploma and his bachelor's degree. In 2008, he left IBSB for a short stint in Dinamik Cerdas Sdn. Bhd. as a Contract Executive. He rejoined Inta Bina Sdn. Bhd. In 2009 as a Senior Contract Executive.

LOW MEI KEW
ADMINISTRATION MANAGER

NATIONALITY **MALAYSIAN**

AGE/GENDER **66/FEMALE**

Date of Appointment	1 August 2001
Qualifications	• Diploma in Executive Secretaryship from Stamford College • Certificate in Administrative Management and a Diploma in Administration Management from the Institute of Administrative Management, UK
Experience	Ms. Low Mei Kew started her career as a Private Secretary of the Plant Manager at Palmco Holdings Sdn. Bhd. and later as the Personal Assistant to the Deputy Managing Director till 1984. Between 1984 to 2001, she worked in a few multi-national companies as well as local company in various secretarial and administrative positions. She joined IBSB in 2001 as a Confidential Secretary and was subsequently promoted to her current position in 2009.

KUA KA CUN
PURCHASING MANAGER

NATIONALITY **MALAYSIAN**

AGE/GENDER **35/MALE**

Date of Appointment	20 December 2017
Qualifications	Degree in Business Administration, Universiti Utara Malaysia
Experience	Mr. Kua Ka Cun started his career in 2009 as Purchasing Executive with trading arm of Gamuda – Gamuda Trading Sdn. Bhd. Between 2010 to 2013, he was seconded to various divisions of Gamuda namely MMC-Gamuda JV for Electrified Double Track Project (Ipoh to Padang Besar and Gamuda Engineering oversea project, Sewage Treatment Plant in Hanoi, Vietnam. Thereafter, in 2014, he joined Merpatih Trading Sdn. Bhd., the trading arm for Ikhasas Group of Companies as Senior Purchasing Executive and in charge of the material supply for mixed development projects namely Shaftsbury Square in Cyberjaya and Shaftsbury Avenue in Putrajaya. From March 2016, he was the Purchasing Executive in Muhibbah Engineering Bhd and involved in few of Petronas projects such as: 1. Refinery and Petrochemical Integrated Development (RAPID) Project at Pengerang, Johor 2. Terengganu Gas Terminal Project (TGAST) at Kertih, Terengganu 3. Petronas Office Building Extension at Kota Kinabalu, Sabah

KEY SENIOR MANAGEMENT'S PROFILES

ONG TIAU SIANG
GENERAL MANAGER

NATIONALITY **MALAYSIAN**

AGE/GENDER **42/MALE**

Date of Appointment	1 November 2001
Qualifications	Bachelor of Civil Engineering (Honours), Universiti Teknologi Malaysia
Experience	Mr. Ong Tiau Siang has more than 20 years of experience in handling on-site construction works and technical expertise in working under demanding internationally recognised quality standards such as the ISO 9001:2008 and CONQUAS 21 and ensuring strict compliance to the requirement of these quality assessment systems. He started his career in 2000 as a Site Engineer with Psycon Sdn. Bhd. and joined Inta Bina Sdn. Bhd. in 2001 as our Site Engineer.

LEE KAM WENG
ASSISTANT FINANCE MANAGER

NATIONALITY **MALAYSIAN**

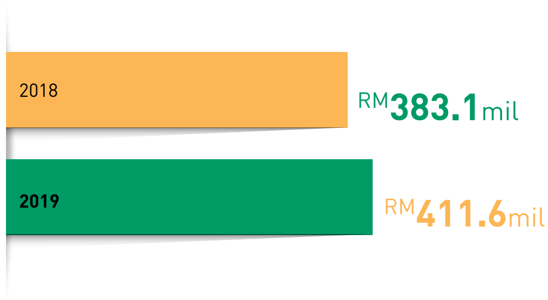
AGE/GENDER **39/MALE**

Date of Appointment	16 March 2015
Qualifications	• Member of Malaysian Institute of Accountants • Fellow Member of the Association of Chartered Certified Accountants, UK • Master of Business Administration (majoring in Internal Auditing Engagement studies), University of Malaya.
Experience	Mr. Lee Kam Weng has more than 11 years of experience in the accounting and finance field. He began his career in 2006 as Audit & Assurance Associate with Messrs Raki CS Tan & Ramanan where he was involved in various audit assignments. In 2008, he left the firm as the Senior Audit & Assurance Associate to join OYL Manufacturing Sdn. Bhd. as Internal Audit Executive, a position he held for a year where he was in charge of reviewing and auditing the internal controls of the company. In 2009, he joined IOI Corporation Berhad as Finance Executive where he was responsible for the finance function in the plantation division and subsequently left in the same position in 2011 to join Rotary MEC (Mal) Sdn. Bhd. as Accountant, a position he held until 2013. In 2013, he joined KNM Group Berhad as Accountant responsible for the accounting functions of several oil and gas construction projects. In 2015, he joined IBSB as our Accountant mainly in charge of the preparation and review of the company accounts, budgets and other related accounting and financial matters.

Notes:
Save as disclosed above, none of the key senior management has:
(a) Any directorships in public companies and listed issuers;
(b) Any family relationship with any director and/or major shareholders of the Company;
(c) Any conflict of interest with the Company;
(d) Any conviction for offences (other than traffic offences) within the past 5 years; and
(e) Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

FINANCIAL **HIGHLIGHTS**

REVENUE
(RM Million)



PROFIT AFTER TAX
(RM Million)

TOTAL ASSETS
(RM Million)

GROUP SHAREHOLDERS' FUND
(RM Million)

NET ASSETS PER SHARE
(Sen)

GEARING RATIO
(Time)

MANAGEMENT DISCUSSION **& ANALYSIS**

P143 – Gravit8 Klang, Selangor

> **"WE ARE PLEASED TO PRESENT THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF INTA BINA GROUP BERHAD ("IBGB") OR "THE COMPANY" OR "THE GROUP") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 ("FY2019")."**

ECONOMIC OUTLOOK

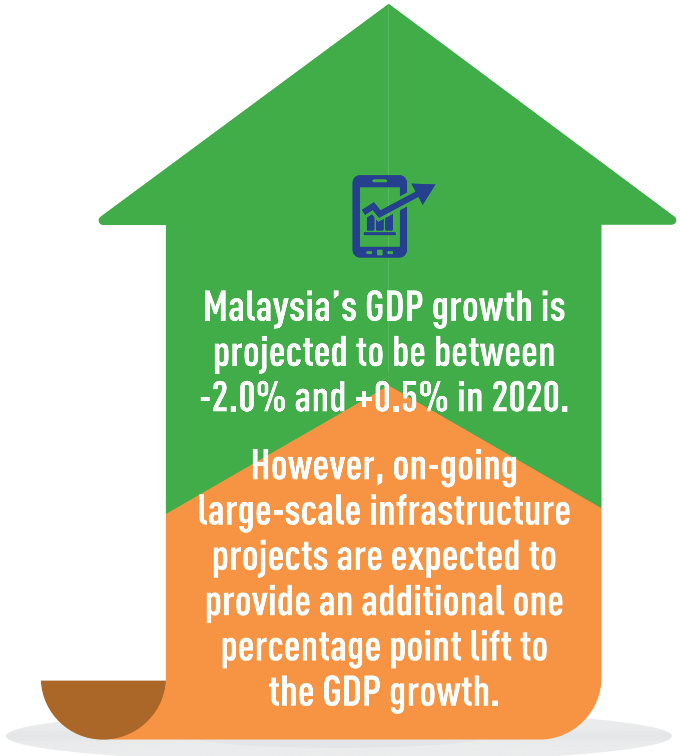
The Construction sector expects to benefit from various packages and projects introduced by the Government, especially from Budget 2020 with the Government earmarking RM156.7 billion worth of projects (including Pan-Borneo Highway, Bandar Malaysia, and the Rapid Transit System from Johor Bahru to Singapore).

However, the scheduled implementation and execution of the mega projects are delayed due to the change of political leadership in Malaysia, and, the outbreak of the COVID-19 pandemic. Domestically, Bank Negara Malaysia is projecting Malaysia's GDP growth to be between -2.0% and +0.5% in 2020, due to the weak global demand, supply chain disruptions, and COVID-19 containment measures. However, Bank Negara Malaysia expects the on-going large-scale infrastructure projects to provide an additional one percentage point lift to the GDP growth in 2020.

Besides large infrastructure works, the construction sector is mainly affected by the slowdown in the domestic property market due to the increase in unsold properties. According to data issued by the Valuation and Property Services Department of Malaysia, Malaysia's property market performance recorded a slight improvement with a marginal increase in 2019, with a total of 328,647 transactions worth RM141.40 billion recorded, showing a rise of 4.8% in volume and 0.8% in value compared to 2018, which recorded 313,710 transactions worth RM140.33 billion.

To support the anticipated downturn of the economy due to the global COVID-19 pandemic, Bank Negara Malaysia has reduced the Overnight Policy Rate (OPR) twice in 2020. The first being on 3 March 2020 by 0.25% and the latest on 5 May 2020 by 0.5%. The latest OPR is now at 2%. To further ease the liquidity of the financial system and to improve market liquidity, Bank Negara Malaysia has announced a reduction to the Statutory Reserve Requirements (SRR) from 3% to 2% on 19 March 2020. The 100 basis point reduction will release an approximately RM16 billion of liquidity into the banking system to improve market liquidity and cost to financial institutions.

P147 – Semi-D Grandezza at Eco Sanctuary



FINANCIAL REVIEW

Financial Performance

For ease of reference, we are comparing the Group's audited condensed consolidated statement of comprehensive income for the financial year ended 31 December 2019 (FY2019) with the audited condensed consolidated statement of comprehensive income for the financial year ended 31 December 2018 (FY2018).

In 2019, the Group's revenue increased to RM411.61 million from RM383.06 million, an increase of RM28.55 million or 7.45% year on year. The growth is due to more projects being undertaken by the Group, and it is reflective of the work progress from the larger order book compared to the previous year. The Group's revenue is mainly derived from the construction of residential properties, which accounted for RM334.55 million or 81.28% of the total revenue. The balanced revenue is accounted for from the construction of mix-development properties for our esteemed clients.

Despite the increase in cement prices during the year. Inta Bina Group Berhad recorded a slight improvement in gross margin from 10.32% (2018) to 10.63% (2019). The Group had implemented effective cost-containment measures during the year which helped mitigate the higher raw material costs. Also, higher raw material and direct labour costs were off-setted by lower subcontractor costs. The gross profit for FY2019 was at RM43.77 million against RM39.52 million in FY2018.

Other income declined to RM2.07 million in 2019 from RM3.96 million in FY2018 in the absence of a one-time disposal gain of investment properties.

Financing costs were higher at RM1.90 million (FY2019) compared to RM1.66 million (FY2018), mainly due to an increase in short term bank borrowings by RM6.59 million in FY2019 as compared to RM24.45 million in FY2018. The Group's long-term debt reduced by RM1.41 million in FY2019 RM8.65 million from RM10.05 million (FY2018).

REVENUE GROWTH

7.45%

RM411.61 million

(FY2018: RM383.06 million)

PROFIT AFTER TAX

5.45%

RM22.45 million

(2018: RM21.20 million)

GROSS MARGIN

10.63%

(FY2018: 10.32%)

EARNINGS PER SHARE

4.19 sen

(FY2018 3.96 sen)

Income tax expense increased to RM7.38 million in FY2019 from RM6.31 million FY2018, mainly due to the adjustment for non-deductible tax expenses.

In tandem with the improved revenue recorded for the year and the higher gross profit margins recorded, the Group's net profit after tax improved to RM22.45 million from RM21.20 million as compared to FY2018. As a result, the Group registered earnings per share of 4.19 sen in FY2019 compared to 3.96 sen in FY2018.

[Note: The earnings per share for both financial years are computed based on the profit attributable to the equity shareholders of the Company divided by the total number of 535.259 million ordinary shares in issue]

Segmental Breakdown Analysis

Analysis of Revenue by Building Segment

	Audited FY2018		Audited FY2019	
	RM'000	%	RM'000	%
Residential (Note 1)	302,563	78.99	334,545	81.28
Non-Residential (Note 2)	80,496	21.01	77,068	18.72
Total	**383,059**	**100.00**	**411,613**	**100.00**
High-Rise	187,356	48.91	226,225	54.96
Low-Rise	195,703	51.09	185,388	45.04
Total	**383,059**	**100.00**	**411,613**	**100.00**

Note 1: Residential properties generally include the construction of terrace house, semi-detached house, bungalow, cluster house, town villa, and high-rise apartment.

Note 2: Non-residential properties generally include the construction of commercial suite, SOHO unit, hotel suite, shop, basement car park, clubhouse, and swimming pool.

Analysis of Revenue by Geographical Location

	Audited FY2018		Audited FY2019	
	RM'000	%	RM'000	%
Klang Valley	332,415	86.78	374,179	90.91
Johor	50,644	13.22	37,434	9.09
Total	**383,059**	**100.00**	**411,613**	**100.00**

Financial Position

Equity attributable to owners of the Company increased from RM121.06 million as at 31 December 2018 to RM136.82 million as at 31 December 2019, attributable to the increase of retained earnings with positive comprehensive income generated in the current financial year.

Current assets increased slightly from RM307.14 million as at 31 December 2018 to RM340.56 million as at 31 December 2019. Cash and short-term deposits increased from RM45.28 million as at 31 December 2018 to RM60.12 million as at 31 December 2019.

Current liabilities increased from RM230.89 million as at 31 December 2018 to RM246.39 million as at 31 December 2019.

The current ratio of our Group improved further from 1.33 times as at 31 December 2018 to 1.38 times as at 31 December 2019.

Our Group's total loans and borrowings have increased from RM34.50 million as at 31 December 2018 to RM39.69 million as at 31 December 2019. The gearing ratio is relatively unchanged at 0.29 times (FY2018: 0.28 times).

(Note: The gross gearing ratio is calculated based on the total debts over total equity as at year-end for each of the financial year.)

Net assets per share of the Group increased to 25.56 sen, and is calculated based on total equity as at 31 December 2019 divided by our Group's issued share capital of 535.26 million ordinary shares. Net assets per share as at 31 December 2018 is 22.60 sen.

Cash Flow

For the 12 months ended 31 December 2019, the Group registered a net cash flow from operating activities of RM19.85 million compared to RM6.63 million for the 12 months ended 31 December 2018. The increase was mainly due to the Company achieving a higher profit before tax in FY2019 compared to FY2018.

Net cash from investing activities in FY2019 was RM1.17 million compared to net cash used in investing activities of RM13.13 million in FY2018. This was mainly from interest received and proceeds obtained from disposal of property, plant, and equipment and investment properties.

In FY2019, net cash outflow used in financing activities of RM14.55 million is mainly as a result of the increase of fixed deposits pledged and dividend payments as compared to net cash flow from financing activities of RM17.0 million in FY2018. The net cash flow in FY2018 mainly due to an increase in borrowings.

With the total net cash flow of RM6.47 million during FY2019, coupled with the Group's cash and cash equivalents at the beginning of FY2019 of RM11.78 million, the Group's cash and cash equivalents at the end of FY2019 was RM18.25 million.

SUSTAINABILITY AND GROWTH STRATEGIES

IBGB is a registered Grade 7 Contractor with CIDB for the categories of B04 and CE21 and certified with MS ISO 9001:2008 and OHSAS 18001:2007. We are committed to providing the highest quality by setting the standards of excellence and meeting timelines. IBGB has participated in 54 CONQUAS assessed projects with an average CONQUAS scoring of 78.2% and with the highest scores of 83.5%, which outperformed the industry average of 76.0%. IBGB also participated in 13 QLASSIC assessed projects with a QLASSIC scoring of an average score of 80.0% and exceeded the 2019 industry average of 74.0% for private projects and 72.0% for government projects.

Our Group has an established track record of over 30 years and to-date has completed 127 building construction projects with a total contract value of RM3.09 billion as at 31 December 2019. Our professional relationship with our clients, listed and non-listed property developers has enabled us to obtain repeated business engagements from them and also referrals from professional consultants. The clinical execution, timely delivery, and professional input by our team in value engineering have made our clients be delighted with us hence we achieve repeated businesses from them.

We have an experienced and dedicated management team, a team with substantial experience in the construction industry because the senior team members have more than 20 years of experience in civil and building construction. We put emphasis on human capital development, leadership development, succession planning and continuous training and upgrading of employees knowledge. We at IBGB embrace a corporate culture of integrity, transparency and accountability.

IBGB STRENGTHS

Participated in **54 CONQUAS** assessed projects with an average **CONQUAS** scoring of **78.2%** and highest score of **83.5%** (surpassing industry average of 76.0%)

Participated in **13 QLASSIC** assessed projects with average **QLASSIC** scoring of **80.0%** (surpassing 2019 industry average of 74.0% for private projects and 72.0% for government projects)

Established track record of over **30 YEARS** and to-date has completed **127 BUILDING CONSTRUCTION PROJECTS** with a total contract value of **RM3.09 billion** as at 31 December 2019.

In the long-term, and to sustain the Group's earning visibility, the Group needs to tender and execute projects with higher contract value, and to increase the outstanding order book. Besides this, we need to keep cost constant and improve margins by;

- investing and engaging in Industrialized Building System with repeated use of aluminum formwork system in order to reduce reliance on skilled labour and increase speed and efficiency;
- ensuring we are equipped with a full range of machinery and equipment to enhance our capability and efficiency, improve productivity and also reduce the recurring cost of rental of machineries;
- focusing on higher-value projects and, at the same time reducing costs with bulk purchases by taking advantage of economies of scale.

PROSPECTS AND OUTLOOK

Looking Ahead

The Board is consciously optimistic of the Company's performance in 2020 on the back of our unbilled order book of approximately RM600 million as at 31 December 2019. This represents unbilled order book to revenue ratio of approximately 1.5 times when compared to the average revenue achieved by the Group in previous and current financial year. Barring unforeseen circumstances and taking into account the current COVID-19 outbreak, IBGB will be able to bill an estimate of 45% to 60% of the unbilled order in 2020 and with this, revenue recognised from the unbilled order is estimated to be much lower.

The Board remains optimistic that the construction sector of Malaysia will continue to be vibrant in 2020. This is in line with the construction industry's general view that the Malaysian Government will continue to revive some of the key infrastructure projects in the second half of 2020.

However, our key challenges and risks include unexpected economic downturn or shock, rising trade protection measurements which may create an extended period of global instability, sudden spikes and unfavourable raw material price movements, shortage and rising costs of foreign labour, unexpected delays in the execution of projects and prolonged softening of the property market.

Unbilled Order Book Value Provides Strong Earnings Visibility

Based on the unbilled order book value as at 31 December 2019, 72.5% or RM436 million is work in progress for high rise residential properties and 27.5% or RM165 million is work in progress for low rise residential properties. From the unbilled order book, two of the high rise properties projects will be completed in year 2021 and 2022. Our current order book is more than sufficient to keep our Group busy over the next year and a half.

P161 – 2 Blocks Apartment for Southville

Future Prospects

Currently, IBGB has RM1,307 million on-going projects, out of which RM370.9 million of the on-going projects were secured in FY2019.

The projects secured in FY2019 are:

(i) RM108.5 million contract from Lembah Suria Sdn Bhd for the construction of 1-block of a 40-storey affordable residence in Segambut, Mont' Kiara, Kuala Lumpur;

(ii) RM178.2 million contract from Southville City Sdn Bhd for the construction of 2-phases of service apartments in Bandar Baru Lembah Selatan, Sepang, Selangor;

(iii) RM45.6 million contract from Eco Ardence Sdn Bhd for the construction of a gated community comprising 148 units of 2 storey link houses, a community center, tower structures, guardhouse and electrical substation in Shah Alam, Selangor;

(iv) RM38.6 million contract from Paragon Pinnacle Sdn Bhd for the construction of 78 units of 2 storey houses in Mukim Ijok, Selangor.

The unbilled order of the on-going projects as of 31 December 2019 is RM600 million, barring unforeseen circumstances and taking into account the current COVID-19 outbreak. The Government's implementation of the Movement Control Order (MCO) throughout Malaysia from 18 March to 31 March, which was then extended to 12 May 2020, has created uncertainty in the supply chain, work disruption, shortage of foreign labour and other impacts that have negatively affected project execution. The MCO due on 12 May 2020 is now extended to 9 June 2020 with a Conditional Movement Control Order. With the prolonged Conditional Movement Control Order, the Group will look for ways to kick start all the projects to minimise delays and disruptions.

Our Group will continue to tender for contracts, and based on the success rate in previous years; we are confident that we will continue to secure new contracts to keep the Group busy over the next few years. With the good track record established in the past and since going public in 2017, we have been invited to participate in tender exercises by existing clients and new clients. As at end of the first quarter of 2020, IBGB already has a tender book value of RM3,914 million. This is a healthy tender book value and augurs well for our Group.

P153 – Paisley Suite at Metropark Subang Jaya

AS AT 31 DECEMBER 2019

ON-GOING PROJECTS
RM1,307 million

SECURED IN FY2019
RM370.9 million

UNBILLED ORDER
RM600 million

TENDER BOOK VALUE
RM3,914 million

MOVING FORWARD

Focusing on High-Rise Property Projects

Moving forward, the Group will focus on securing a higher number of high-rise projects with greater contract value, be it residential or mixed development projects, from our customers rather than securing more landed property projects. Most of the current high-rise property projects constructed in Klang Valley are higher value in nature, ranging from RM80 million to RM200 million per project. We can achieve greater economies of scale from executing high-rise projects as material cost is reduced with bulk purchase and overhead costs are reduced when our full range of machinery, equipment and human resources are mobilised to a single location at the same time for a longer construction period.

The construction of high-rise projects requires more complicated project management skills and technical knowhow in construction. It also requires the contractor to own higher capital to continuously invest into various types of heavy machinery and equipment, such as tower cranes, formworks, scaffolding, etc., to undertake more challenging high-rise building construction jobs. Naturally, this acts as an entry barrier for smaller-scale contractors, that do not possess the required funding capacity and lack the comprehensive range of machinery and equipment to compete in the high-rise projects bidding process. The Group will continue to equip our facilities with a full range of machinery and equipment to enhance our distinct advantage in capability and efficiency.

Furthermore, with the scarcity of larger tracts of landbank in Klang Valley and Johor Bahru city centre, we anticipated projects undertaken by city centric property developers will focus mostly on high-rise projects, whether they are residential, mixed development or commercial projects such as the development of retail mall, hotel, office block or purpose built building. This is so because developers are always aiming to maximise their return on investment for every single square foot built by them, especially for those projects located within and around the city centre with a higher density ratio. We will continue to position the Company to capitalise on the dynamic construction industry and everchanging property industry.

For low-rise projects, we will continue to focus on quality finishing for both high end and affordable housing projects.

We will continue to expand our business by exploring:

- mergers and acquisitions of downstream construction companies; and
- joint ventures with existing developer/landowner as a strategic partner in property development.

P159 – Rumah Mampu Milik at Mont Kiara (SMK3) – Kiara Kasih

P158 – Bungalow Stonebridge at Eco Majestic

Focusing on Quality and Timely Delivery

Our motto of "Your Partner in Construction" has guided us throughout the years. We act as a reliable business partner with many property developers to ride through various economic cycles and overcome multiple difficulties together.

At the same time, our Group has also built a reputation for upholding the quality of our workmanship and timely delivery of the projects. The majority of our projects completed within the last 14 years have been assessed by CONQUAS and QLASSIC. Our Group's emphasis on timely project delivery and consistency quality is our key success factor. It has enabled our Group to continuously secure repeat orders from our existing clientele over the years. We have secured a total of 13 projects from Horizon Hills Development Sdn Bhd, a joint venture between UEM Sunrise Berhad and Gamuda Berhad, from 2009 to 2018. Eco World Development Group Berhad had also awarded a total of 10 projects to us from 2015 to 2018. After we had been awarded the first two projects from our new client Tropicana Corporation Berhad in 2015, they immediately awarded us the third project in 2016 and the fourth project in 2018 as a testimony of our ability to deliver with consistent quality on time.

On the quality aspect, most of our projects are assessed either by CONQUAS (by the Building and Construction Authority of Singapore) or QLASSIC (by Construction Industry Development Board of Malaysia). The number of CONQUAS and QLASSIC assessed projects represented 72.72%, 75.00%, and 71.43% of the total number of projects completed in the financial years ended 2016, 2017 and 2018 respectively. We have successfully participated in 54 CONQUAS assessed projects from December 2005 to May 2018 and participated in 13 QLASSIC assessed projects from November 2014 to December 2018. These accreditations have served to highlight our Group's on-going commitment to providing quality construction services and further strengthened our clients' loyalty and faith in our capabilities.

In the provision of our construction services, our Group strongly believes in delivering superior quality products to meet our clients' requirements and to ultimately ensure buyers' satisfaction. Our ability to deliver quality works within the contract period enhances our positioning as a capable and reliable building contractor in Malaysia.

Balance in Our Capital Management Strategy

With an unbilled order book of over RM600 million, we anticipate that a larger working capital is required to support a larger scale of operation moving forward. We have to continuously invest in additional new equipment and machinery to further enhance our capability and competitiveness.

We constantly review the capital structure, the 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 support the business operations of the Group.

Our Group was listed on Bursa Malaysia Securities Berhad since May 2017. The first dividend payout at the rate of 0.75 sen per ordinary share was in respect of the financial year ended 31 December 2018. For this financial year ended 31 December 2019, total dividend payout is at the rate of 1.0 sen per ordinary share. Our Group has yet to adopt a formal dividend policy. We are still expanding and we are trying to strike a balance with the immediate funding needs of our Group and the timing to reward our shareholders with regular dividend payouts in the future.

Human Capital Development

Without our employees, IBGB would not be where it is today. We see our employees as one of our major stakeholders and we understand the value of investing in them as an important step to ensure continuous growth for IBGB. Our support to our employees is extended not only to their career, but also to their personal development through trainings, workshops and non-work related activities organised by the management.

Amongst others, IBGB's human resource function has set out policies for recruitment, training and employees appraisal to ensure that our employees are competent and adequately trained in carrying out their responsibilities.

We are committed to ensure that our employees are equipped with technical and practical knowledge to enhance their personal skills and contribution to the organisation. That is why at Inta Bina, we empower our employees through an array of training and development programmes.

P157 – Apartment Suasana (PH 2 & 3) at Damansara Damai

SUSTAINABILITY STATEMENT

SCOPE

"This report discloses both Inta Bina's business and non-business related activities towards sustainability within all entities. It is guided by Bursa Malaysia's Sustainability Reporting Guide and is written in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements. As we embark on this sustainability journey, our initiatives were focused on economic, environmental and social aspects."

SCOPE OF PERIOD

The scope of this Sustainability Report refers to the period of 1 January 2019 to 31 December 2019, unless specified otherwise.

P161 – 2 Blocks Apartment for Southville

SCOPE OF PROJECTS

The scope of this report will be covering the following project sites. For the rest of the report these sites will be referred to by their project codes for convenience,

Project Code	Project Name
P143	2 Blocks Apartment Gravit8 Klang (PH2A)
P146	Apartment Suasana (PH1) at Damansara Damai
P152	66 Units Semi-D (PH1b) Sunway Lenang Heights
P153	Paisley Suite at Metropark Subang Jaya
P156	104 Units Semi-D Eco Ardence at Setia Alam
P157	Apartment Suasana (PH 2 & 3) at Damansara Damai
P158	79 Units Bungalow (Plot 6-PH1) Eco Majestic Semenyih
P159	1 Block Rumah Mampu Milik at Mont Kiara (SMK 2)
P161	2 Blocks Apartment for Southville

Our Vision

"To be the preferred choice builder and to ensure sustainable returns to stakeholders."

Our Motto

Your Partner in Construction

Our Mission

- To embrace industry best practices, set standards of excellence, meet timelines and doing right the first time and everytime.
- To develop a dynamic team through effective communication, empowerment, enhanced cooperation and continuous equipping.
- To establish credibility by meeting goals, achieving growth, generating profits and meriting exceptional work.

Our Core Values

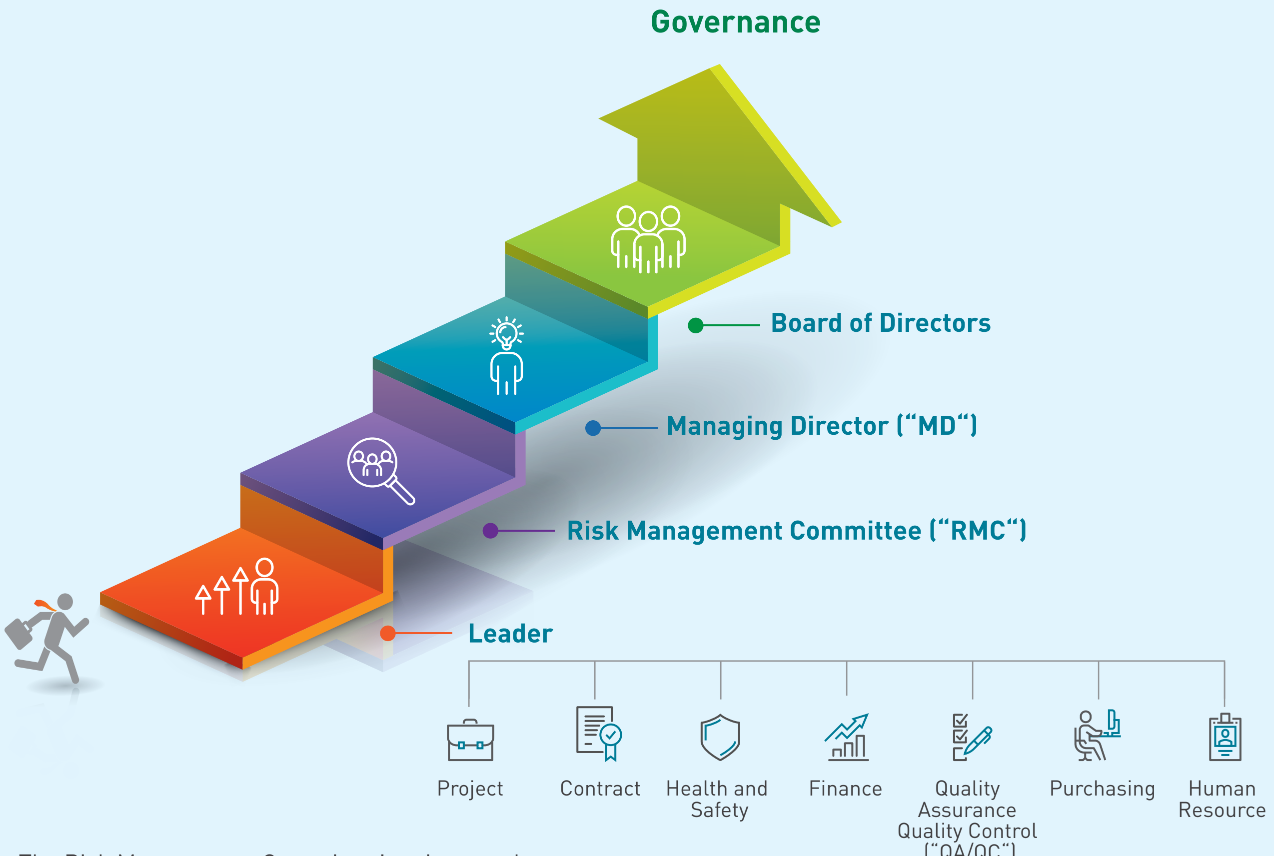
- Inta Bina is ours
- Passionate and proactive
- Innovative and immovable
- Considerate and compassionate
- Teachable and teamwork
- United and unafraid
- Respect and restore
- Excellent and Effective

Our Declaration

- Passionate and proactive in everything we do
- Innovative and immovable in everything we encounter
- Considerate and compassionate to others
- Teachable and teamwork to always improve
- United and unafraid to face the future
- Respectful and restoring to the environment
- Excellent and effective in our approach to work

SUSTAINABILITY STATEMENT

We are currently in the midst of designing a Sustainability function to ensure that there is a clear tracking and reporting mechanism in this area for the years to come. In the interim, a temporary Sustainability Committee is set up and it consists of key personnel from integral departments. This Committee will report to the Managing Director, who tables relevant issues and strategies for review and approval with the Board of Directors before implementation.



The Risk Management Committee's primary roles are:

- Establishing guidelines and methodologies for the identification and management of sustainability matters;
- Recommending sustainability exposures and tolerance to the Managing Director and the Board;
- Aligning division priorities, tolerances and strategies;
- Communicating and enforcing policies regarding sustainability;
- Reviewing and monitoring effectiveness of sustainability treatment measures;
- Providing the means and resources for the education and training toward sustainability goals;
- Aggregating and reporting sustainability achievements;
- Assisting Managing Director to conduct an annual review of IBGB's sustainability statements;
- Reviewing the reports of sustainability management activities of the departments;
- Reviewing the sustainability exposures of the departments and the sufficiency of action plans to achieve sustainability targets;
- Reviewing the application and adherence to sustainability policies; and
- Making the appropriate recommendation to the Board on sustainability management matters, where necessary.

MATERIALITY ASSESSMENT

Our first materiality assessment was conducted internally with participation and contributions from key personnel from respective departments. While the materiality assessment did not involve any external stakeholders, key personnel took into consideration both internal and external perspectives during the material matters prioritisation process.

The materiality assessment process adopted a four-step approach as outlined below:

Stakeholder Identification

- Identify the Group's key stakeholder

Determine Sustainability Issues

- Stakeholder Engagement
- Determine material sustainability concerns for each stakeholder

Categorisation and Prioritisation

- Categorise and prioritise key sustainability issues
- Action planning and reporting of key sustainability issues

Process Review

- Review materiality assessment process

> "Moving forward, further emphasis on materiality assessment and its sample will broaden to include the external stakeholders."

P147 – Semi-D Grandezza at Eco Sanctuary

KNOWING AND ACKNOWLEDGING OUR STAKEHOLDERS

In view of our motto "Your Partner in Construction", we look at all our stakeholders as valuable assets which powers our organisation. Stakeholders' perspectives are imperative to us and regular engagement helps us build trust and gain insights into emerging issues that are significant to both stakeholders and the business.

Stakeholder Groups	Area of Interest and Material Topics	Methods of Engagement
Property Developers and Other Clients	• Project Quality Plan ("PQP") • Quality • Competitive price • Health, Safety and Environment • Business continuity	• Meetings • Progress reports • Corporate website • Email and phone calls
Employees	• Work-life balance • Competitive salary and benefits • Career development and trainings • Health and safety	• Formal and Informal Meetings • Performance appraisals • Community projects • Email and mobile • Trainings
Shareholders and Investors	• Sustainable profitability and matters • Company's performance against industry performance • Compliance with relevant requirements	• Annual general meetings • Regular updates and communication • Investor relation initiatives • Annual reports • Quarterly announcements
Suppliers and Subcontractors	• Fair procurement • Timely payments • Business continuity	• Email and phone calls • Meetings • Performance feedback/review
Regulatory Authorities	• Bursa Malaysia • Construction Industry Development Board ("CIDB") • Department of Occupational Safety and Health Malaysia ("DOSH") • Immigration Department of Malaysia • Majlis Pembandaran Subang Jaya ("MPSJ") • Compliance • Local and government agenda	• Reports and compliance
Surrounding Communities	• Health and safety • Quality of life	• Community projects • Social media

We believe in delivering superior quality products to our clients at all times. Inta Bina Sdn Berhad "IBSB" has acquired the MS ISO 9002:1994 certification from Lloyd's Register Assurance Ltd for its Quality Management System since year 2000. This enables us to be better positioned to deliver quality works, hence making our mark as a capable and reliable building contractor within the industry. Our QMS was then upgraded to the MS ISO 9001:2000 in year 2003, we earned certification MS ISO 9001:2008 in 2009 and followed by MS ISO 9001:2015 in 2018 which aims to enhance client satisfaction in regards to meeting the requirements of applicable statutory and regulatory requirements.

Our Company has also been actively participating in building construction projects that are audited and assessed under both CONQUAS and QLASSIC by Building and Construction Authority Singapore and CIDB respectively. Overall, our Company has consistently achieved above the passing score of 75.0%. So far, our Company has achieved the high score of 83.5% for CONQUAS and 84.0% for QLassic. These accreditions accentuate our promise to provide the highest quality in our construction services to our best ability.

P155 – Terrace House Serimbun at Iskandar Puteri

MATERIALS ASSESSMENT

Business Conduct

Integrity Operational Matters

At IBGB, we conduct our activities in accordance with the laws, rules and regulations in the various places we operate as well as support our employees to consistently uphold the highest standards of integrity and accountability.

Anti-Corruption Policies

It is the policy of the Group to conduct all of its business in an honest and ethical manner and to act in good faith. The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates; implementing and enforcing effective Anti-bribery Management Systems to counter bribery and corruption.

In addition, the Group is also implementing a No Gift Policy to prohibit the acceptance or offering of inappropriate gifts or entertainment as it may create a conflict of interest and influence business decisions. While acceptance of invitations to attend local social events and celebratory meals are permissible under this policy, it is still advised that all acceptance of invitations must be consulted with the respective Heads of Departments.

The Group will uphold and comply with all anti-bribery and anti-corruption laws in Malaysia and in all jurisdictions in which it may operate.

Whistle Blowing Policies

The Group's Whistle Blowing Policies can be found on our website link:
http://www.intabina.com/investor-relations/corporate-governance/

Corporate Governance and Compliance

IBGB is committed to the principles and best practices of corporate governance as laid out in the Malaysian Code on Corporate Governance to ensure that standards of corporate governance are being observed throughout the Group with the ultimate objective of enhancing long term shareholders value and returns to our stakeholders.

Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of this Annual Report as well as Corporate Governance Report for announcement and publication at www.intabina.com.

CUSTOMER SATISFACTION

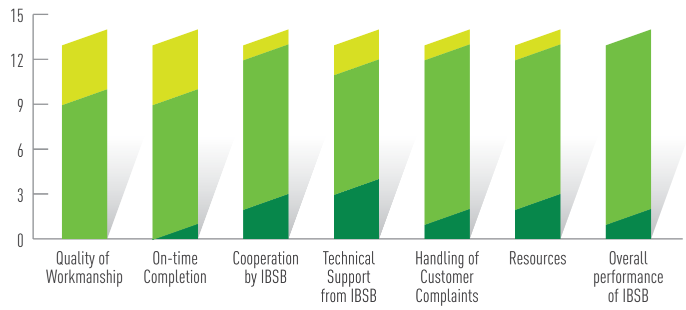
The satisfaction of our customers and clients are of utmost importance to us and we strive to deliver excellence when building projects for them. We seek to establish long term professional and cordial relationships with our clients. We achieve this by engaging them in open dialogue and interactions such as answering their questions or concerns, ensuring projects stay on schedule and within the allowed budget and giving clear explanations every step of the way during the construction process.

Customer feedback and perception is gauged by listening to feedback or complaints during the construction process or through surveys sent out to clients after the completion of a project.

Site Surveyed	Eco Majestic 750 units	Jade Hills 32 units	Tropicana Kajang (Parcel 1)	Eco Sanctuary (Parcel 5)	Eco Grandeur	Total Surveyed
Code	P142	P145	P140	P147	P148	–
No of Customers Surveyed	6	1	2	4	1	14

Customer Surveys (Completed Projects)

Criteria	Excellent	Good	Average	Poor	Very Poor	Total
Quality of Workmanship	–	10	4	–	–	14
On-Time Completion	1	9	4	–	–	14
Cooperation by IBSB	3	10	1	–	–	14
Technical Support from IBSB	4	8	2	–	–	14
Handling of Customer Complaints	2	11	1	–	–	14
Resources	3	10	1	–	–	14
Overall Performance of IBSB	2	12	–	–	–	14
Total	**15**	**70**	**13**	**–**	**–**	**98**



Inta Bina engages clients in customer surveys in order to gauge the quality of our services. These surveys ensure that we are constantly receiving and listening to customer feedback regarding the quality of our projects and using this information, we can plan and strategise ways to further improve our services. As a customer driven business, we seek to deliver excellent quality services that satisfies the demands of our clients.

Non-Conformance Reports

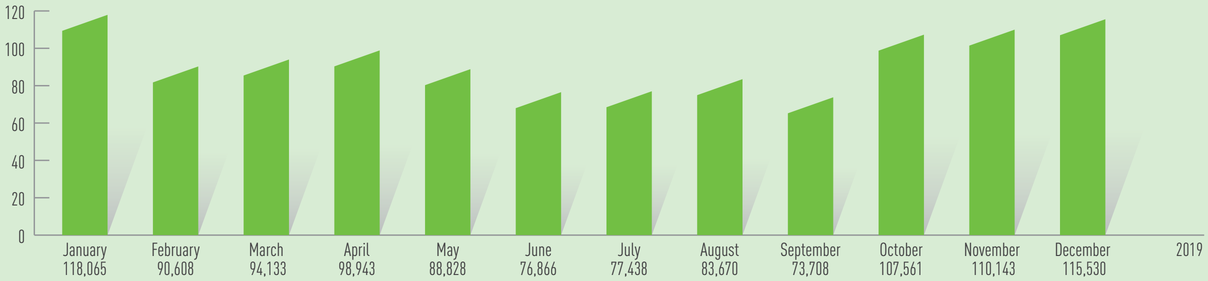
Non-Conformance Reports (NCRs) are another method we utilise to communicate and listen to client feedback during an ongoing project. These reports help us identify if a project does not currently meet a client's standards and specifications. We also utilise these reports to inform clients of the corrective actions or improvements we have taken in order to resolve the issues outlined in the report. We use NCRs to work with our clients in correcting mistakes and meeting their expectations during every stage of a project in order to build more understanding and trust.

NCR Matter	C&S (Cilvil & Structure)	Arch (Architecture)	M & E	Safety
No of Reports	140	41	7	31
No of Reports Resolved and Closed	132	39	6	31
No of Reports Ongoing	8	2	1	–

ELECTRIC USAGE

Inta Bina monitors electricity usage at all ongoing project sites. We ensure that the amount of electricity used meets the requirement of each project and avoid over usage and wastage. We also utilise gensets as an alternative for projects located at places where procuring electricity is difficult or may be unavailable. Our electricity usage is metered and monitored by onsite employees and our finance department to ensure that usage stays well within our allowed budget.

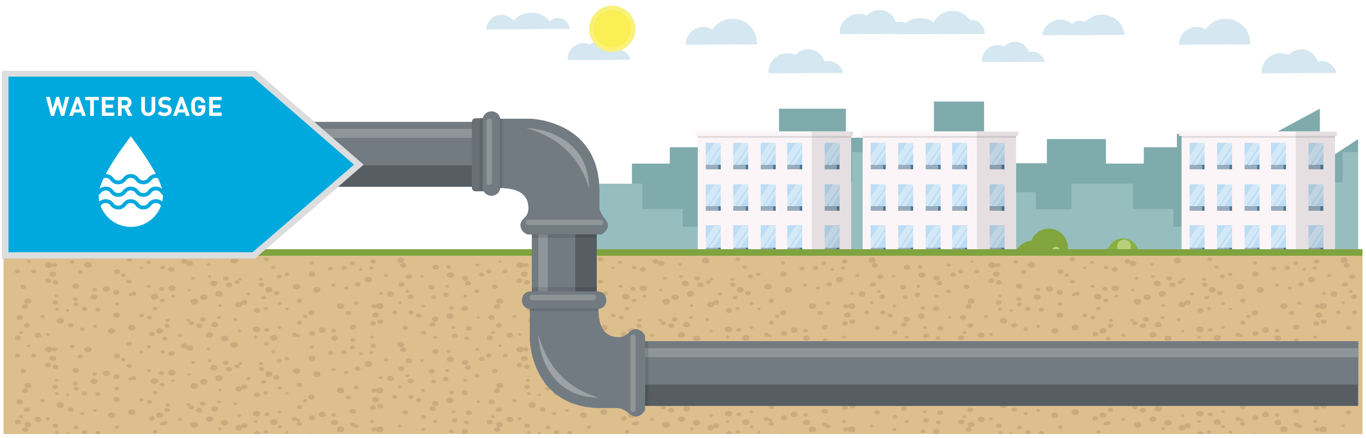
Electric Usage in 2019 (kWh)



P153 – Paisley Suite at Metropark Subang Jaya

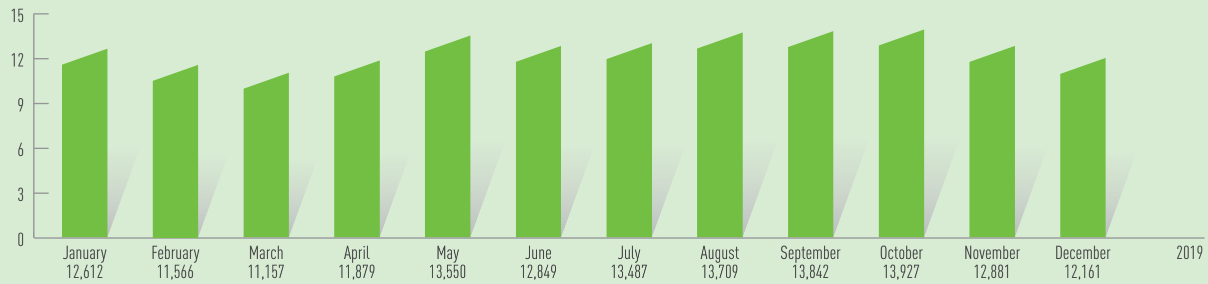
P129 – Twin Palms Sungai Long

WATER USAGE



At Inta Bina, we believe that water is an important but limited resource that should be used and managed wisely to ensure there is no wastage. Our water usage is carefully monitored and recorded by our onsite officers and finance department so as to ensure there is no over usage and to use water cost effectively. We ensure that water used is able to support all operations on site such as mortar mixing, worker consumption and site cleaning. We strive to practice good conservation in order to save water.

Water Usage in 2019 (Cubic Meter m^3)

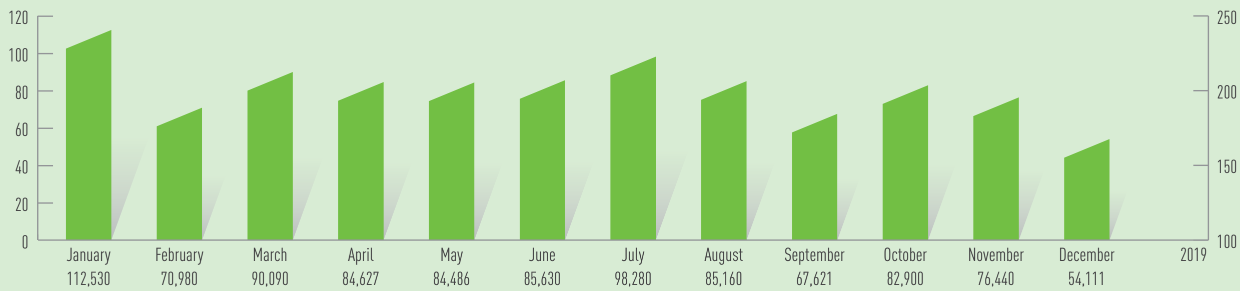


P159 – Rumah Mampu Milik at Mont Kiara (SMK2) – Kiara Kasih

DIESEL USAGE

Inta Bina monitors diesel consumption to ensure that all ongoing project sites are able to maximise usage without overspending or wastage. All diesel procured are utilised in heavy machinery and vehicles such as cranes, excavators, backhoes, gensets and other machineries. Our diesel consumption is monitored and recorded by onsite employees and our procurement department.

Diesel Usage in 2019 (Litre)



Company Vehicle Fuel Usage (Litre)

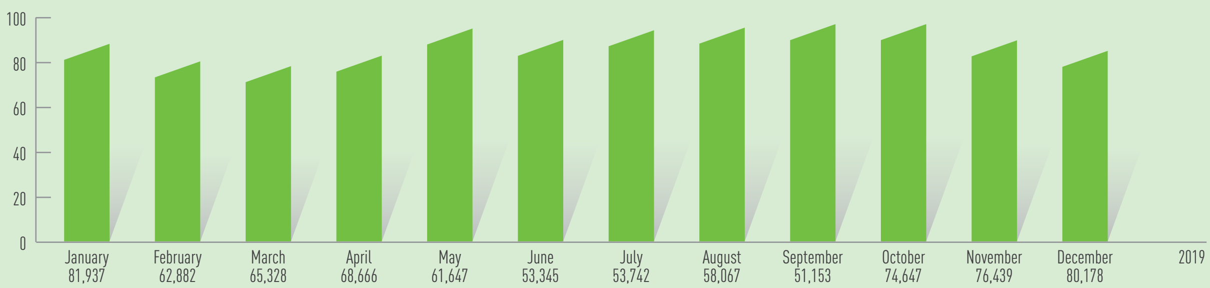
Vehicle Type	No. of Vehicle	2019											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Vehicles (Diesel)	34	10,062	9,392	8,791	11,004	9,878	8,566	10,707	10,478	10,662	10,354	9,556	9,838
Lorry	11	6,080	6,510	6,375	6,972	7,143	6,114	7,780	6,531	6,662	6,727	6,333	7,081

Inta Bina is working to reduce emissions produced at all our project sites. In order to begin these efforts, we have started by recording the total emissions produced at each site based on the amount of energy consumption and have also calculated by method of "total number of trees to be planted" in order to identify the impact of our emissions production.

ELECTRIC EMISSIONS

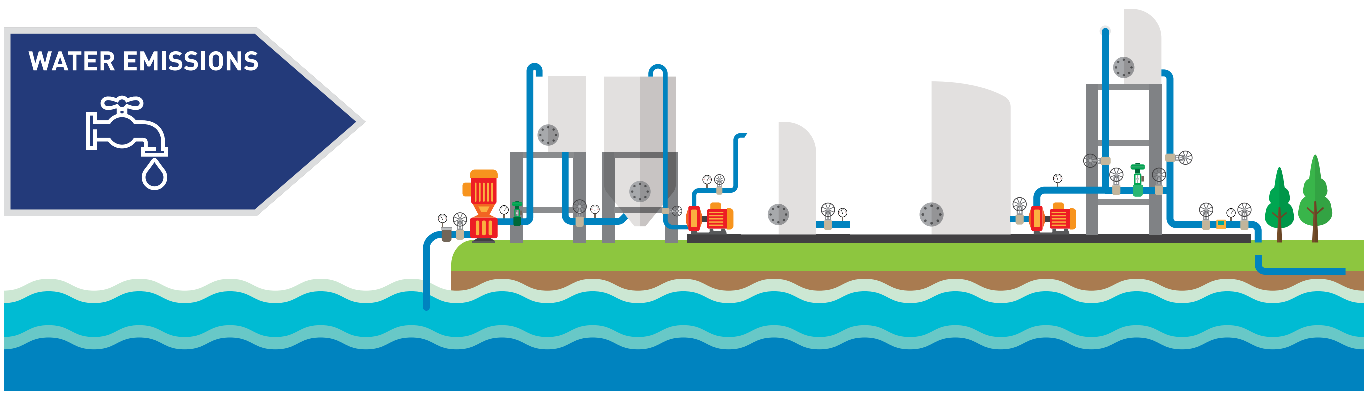
Carbon emissions are derived from the amount of energy and resources used for all human activity. As electricity is one of the main energy sources used in construction, this is unavoidable. The carbon emissions displayed in the graph are derived from total electricity usage at all project sites covered in this report. This was derived from the Co^2 emissions calculator published and provided by the Malaysian Green Technology Corporation for the Peninsular grid as all our ongoing projects are located in the Peninsular.

Electric Emissions in 2019 ($KgCo^2$)



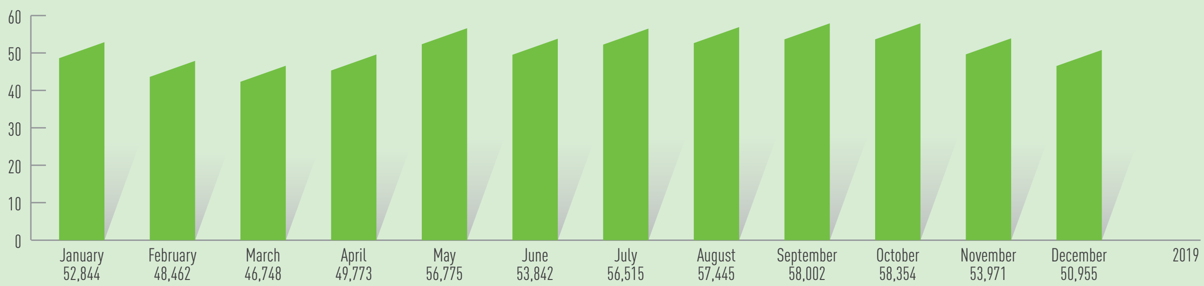
P158 – Bungalow Stonebridge at Eco Majestic

P150 – Superlink Topaz at Taman Putra Prima Puchong



This was the total emissions derived from the water consumption at each ongoing project site. The CO_2 emissions were also derived from the carbon emissions calculator published and produced by the Malaysian Green Technology Corporation.

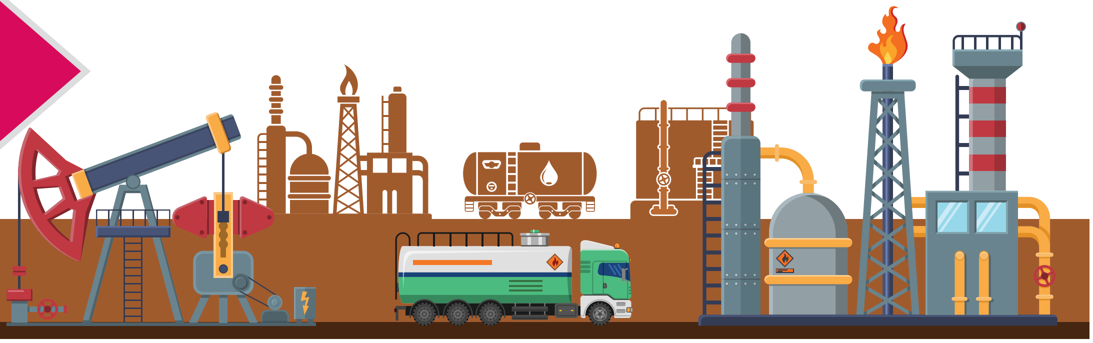
Water Emissions in 2019 (KgCo²)



P146 – Apartment Suasana (PH1) at Damansara Damai

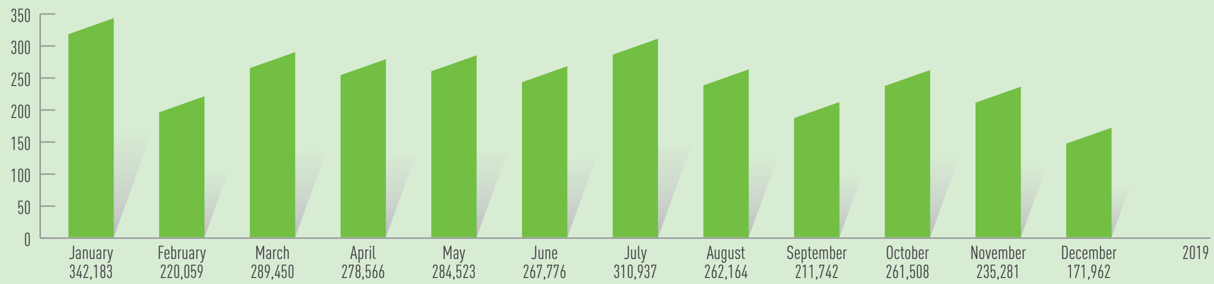
P157 – Apartment Suasana (PH 2 & 3) at Damansara Damai

FUEL EMISSIONS
(Carbon calculator, 2016)



This is the emissions for fuel consumption at all ongoing project sites. As stated, Inta Bina primarily utilises diesel for all our construction activities and is therefore one of the biggest contributors to our overall Co^2 emissions. The Co^2 emissions here were also derived from the Carbon calculator published and produced by the Malaysian Green Technology Corporation.

Fuel Emissions in 2019 ($KgCo^2$)

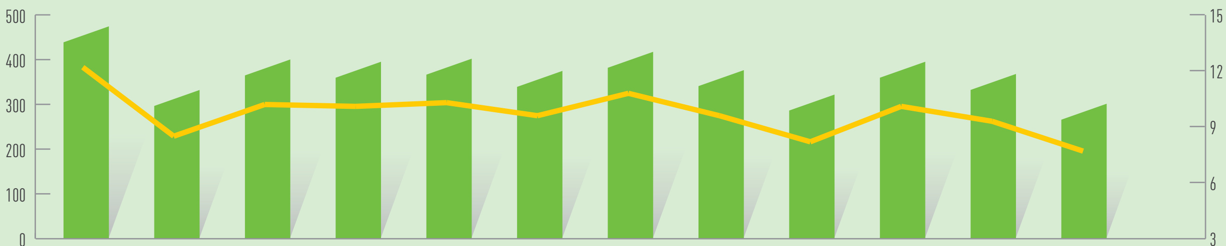


P152 – 66 Units Semi-D (PH1B) Sunway Lenang Heights

TOTAL EMISSIONS
(Carbon calculator, 2016)

The Malaysian Green Technology Corporation utilises a method of counting the total number of trees needed to absorb all Co² produced to assess the impact of carbon emissions. Using this method, we are able to better assess the impact of our Co² emissions from our current ongoing construction projects. These are the number trees that are required to be planted at each ongoing project site on a monthly basis in order to absorb all emissions produced by each site. We hope to reduce these numbers over the coming years and come up with strategies that will help reduce the impact of emissions produced by our construction projects.

Trees needed to absorb total carbon emissions in 2019



	January	February	March	April	May	June	July	August	September	October	November	December
Total Emissions (kgCo²)	477	334	402	397	403	375	421	378	321	394	366	303
Number of Trees to be planted	12,230	8,566	10,296	10,180	10,332	9,614	10,800	9,684	8,228	10,116	9,377	7,772

Total Emissions (kgCo²) — Number of Trees to be planted

References
Carbon Calculator. (2016, April 8). Retrieved December 23, 2019, from https://www.greentechmalaysia.my/carboncalculator/.

P156 – Semi-D Dremien at Eco Ardence

P151 – Terrace House The Woodland at Horizon Hills

Waste production is unavoidable during construction work. In order to mitigate this, IBSB has implemented a scheduled waste management plan whereby construction waste is collected and disposed at legal dumping areas in compliance with DOE requirements and standards regarding waste management. This plan provides a practical guide designed to identify all waste produced throughout the construction and commissioning phase of all our projects, and defines options for reuse or waste management. This plan has been developed to ensure an adequate response to the potential environmental impacts of the waste produced by all projects. Furthermore, this plan is designed to achieve and maintain environmentally sound practices for sanitation and for conservation of the environment.

The main objective of this plan is for: Reduction of waste at the source by process modification, material elimination, material substitution, inventory control and management, improved housekeeping, and water recovery. We reduce the toxicity of effluents through careful selection of fluids and chemical products used in our operations. We reuse materials or products such as drums, containers and crates to reduce waste.

P143 – Gravit8 Klang, Selangor

Inta Bina believes in supporting the local economy by procuring our construction materials from local vendors. We believe that supporting local businesses helps improve the sustainability of Malaysia's construction industry as it will encourage these companies to grow and improve the quality of their products which in turn will help us to deliver better quality projects for our clients.

We have been purchasing from these local businesses for many years and can attest to the excellent quality of their products which we have utilised in all our past and ongoing projects. Purchasing from local businesses is also more cost effective as purchasing materials from foreign companies can prove costlier.

Customer Privacy

Protecting customer privacy and data security is an important part of our commitment to our customers.

We comply with relevant privacy and data security legislation wherever we operate. We introduced a Standard Operating Procedure ("SOP") for the Group to comply with the Personal Data Protection Act 2010 ("PDPA"). We monitor substantiated complaints about breaches of customer privacy and loss of data in accordance with our privacy policy.

SOCIAL: LABOUR

Employee Diversity

Inta Bina has a diverse workforce and we provide equal opportunity to all employees based on their talents and potential for growth. We choose to hire based on an employee's individual qualities and willingness to grow regardless of race or gender.

We have many employees that come from a wide age range, the majority of which are between the 20 to 40 age range and this includes our employees working onsite and in the main office. While those above the age of 50 are in the minority, they occupy more senior roles as managers, executives and directors.

Main Office/ Project Sites

Employee Distribution by Gender

Employees Category	Male	Female	Total
Executive Directors	4	0	4
General Managers	2	0	2
Senior Managers	5	0	5
Managers	19	3	22
Professional/Executive	67	13	80
Supervisors	72	2	74
Clerical/Non-Executive	7	30	37
Lorry Drivers	9	0	9
Machine Operators	10	0	10
Total	**195**	**48**	**243**

Employee Distribution by Ethnicity

Ethnicity	Male	Female	Total
Chinese	69	17	86
Malay	110	29	139
Indian	11	2	13
Others	5	0	5
Total	**195**	**48**	**243**

Employee Distribution by Age

Age Group	Male	Female	Total
Below 30	60	18	78
31 To 40	79	21	100
41 To 50	30	5	35
51 To 60	17	2	19
Above 60	9	2	11
Total	**195**	**48**	**243**

Project Site Workers

Project Sites	Male	Female	Total
Project 143	21	0	21
Project 146	29	0	29
Project 152	3	0	3
Project 153	31	0	31
Project 156	13	0	13
Project 157	17	0	17
Project 158	6	0	6
Project 159	14	0	14
Project 161	11	0	11
Total	**145**	**0**	**145**

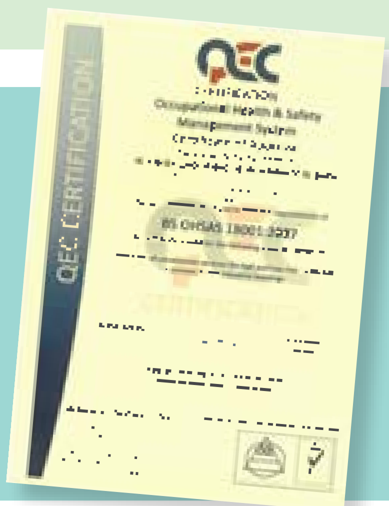
Nationality

Project Sites	Indonesia	Bangladesh	Total
Project 143	7	14	21
Project 146	19	10	29
Project 152	3	0	3
Project 153	26	5	31
Project 156	8	5	13
Project 157	12	5	17
Project 158	3	3	6
Project 159	9	5	14
Project 161	7	4	11
Total	**94**	**51**	**145**

Age

Project Sites	18 – 19	20 – 29	30 – 39	40 – 49	50 – 59	Total
Project 143	0	6	9	6	0	21
Project 146	1	11	10	7	0	29
Project 152	0	1	2	0	0	3
Project 153	1	17	9	4	0	31
Project 156	0	5	4	4	0	13
Project 157	0	10	5	2	0	17
Project 158	0	3	3	0	0	6
Project 159	1	7	4	1	1	14
Project 161	1	5	2	3	0	11
Total	**4**	**65**	**48**	**27**	**1**	**145**

We ensure that all foreign employees hold work permits from the Jabatan Imigresen Malaysia. This is to ensure not only that we are in compliance with the laws established by the immigration ministry but also to ensure that all foreign employees are safe to work for us and are not in danger of breaking the law.



BS OSHAS 18001:2007 CERTIFICATION

We have also gained the BS OSHAS 18001:2007 certification for aligning our occupational health and safety standards to internationally recognised best practices. This certification helps us to put in place the policies, procedures and controls needed for our organisation to achieve the best possible working conditions and workplace health and safety, especially on our construction sites.

Workplace Accidents in 2019

Thankfully there were no major or fatal accidents at all of Inta Bina's ongoing projects in 2019. This is in part due to our strict adherence to safety regulations and training our employees to practice good safety when working on site.

Medical Leave

In total, Inta Bina incurred 1,394.5 days and 11,156 hours of productivity loss due to the amount of medical leave days taken including recuperation leaveafter hospitalization. Inta Bina hopes to reduce the number of medical leave days by the next reporting period through extensive health checks and taking an active role in caring for the health and wellbeing of our employees.

Total Man Hours without Loss Time Injury (LTI)

Project Sites	Total Man Hours in 2019
P143	755,370
P146	603,224
P152	300,768
P153	1,160,592
P156	203,719
P157	503,344
P158	198,816
P159	197,592
P161	183,770
Total	**4,107,195**

Across all project sites in 2019, Inta Bina accumulated 4,107,195 of man hours working without loss time injury (LTI). As a construction company, we maximise productivity within the time given to us for every project to ensure that we can meet the deadlines of our clients while delivering quality work.

Mosquito Management

Inta Bina takes the issue of dengue very seriously and understand it is imperative to prevent an overpopulation of mosquitoes and other pests that may pose a health risk. In order to manage this issue, all site workers conduct fogging, larvaeciding and pesticide operations on all potentially vulnerable areas around the site such as areas where water can easily pool and stagnate as well as near areas where construction waste is stored. These operations are carried out on a weekly basis and are led by our onsite safety officers who also record each action taken to ensure that they stay on schedule. Furthermore, these operations are carried out at a higher frequency based on factors such as weather and environmental conditions. For example, during months with increased rainfall, fogging and larvaeciding operations could be carried out on a daily basis.

Safety Induction

Construction is a dangerous line of work with many possible safety risks involved. Inta Bina ensures every site worker is trained in understanding the safety standards when working on site. Every new employee is given a course on good safety practices and conduct while on site. This also minimizes the risk of an employee endangering themselves or their colleagues and to achieve zero accidents while working. We educate and brief new workers and employees regarding essential matters such as site safety compliance, requirement, legal, client standards and site SOP. Inductions are conducted twice a week, however we increase the number of inductions conducted weekly based on the number of people to be trained.

No. Safety Inductions in 2019

Project Sites	Safety Inductions
Project 143	82
Project 146	98
Project 152	104
Project 153	101
Project 156	110
Project 157	108
Project 158	115
Project 159	66
Project 161	59

Human Rights and Fair Employment Practice

The IBGB policies on Fair Employment Practice are listed below:

The following are the key policies and measures enshrined in our Code of Ethics (dos and don'ts) policy statement.

a. **Equal Employment Opportunity**

In the appointment and recruitment process of IBGB, we pride ourselves in being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, creed, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the work environment.

b. **Workforce Diversity**

We believe in engaging with one of our key stakeholders, who are our employees, with the aim to bring forth their potential and provide them a satisfying and rewarding career. At the same time, we are inclusive and are mindful of the need to encourage balanced participation from female employees in our business. We continue to promote and attract talents from the local community or within the same state which we operate in. We are proud to contribute to the local economy by creating employment in the communities in which we operate. Many of our employees and workers are from the local communities.

c. **Adherence to Minimum Wage**

We observe the Minimum Wages Order 2012 and its subsequent amendments as and when announced by the government.

d. **Prohibition of Harassment**

We are committed to providing a conducive work environment, safe and free from any form of harassment and unlawful discrimination. The group views sexual harassment as a serious violation of our rules and regulations and work values. To prevent discrimination, we have a sexual harassment policy and a grievance procedure available to all and we ensure that employees are briefed about these.

During the reporting period, there was no record on instances of discrimination. Any employee found guilty of such misconduct will be subject to disciplinary actions that may include dismissal.

e. **Prevention of Child Labour**

We observe the Children and Young Persons (Employment) (Amendment) Act 2010.

We employ only those 18 years and above in our recruitment exercise. This is in line with the policies of the International Labour Organisation.

f. **Employees' Benefits and Compensation**

We value the contributions of our diverse employees and continuously attract talents to join us by providing a supportive working environment and development opportunities. We provide an integrated welfare system and treat all employees equally.

The Group complies with the various local statutory requirements and regulations on wages and benefits such as minimum wages order, employees' provident fund and SOCSO.

Other employee welfare bonuses include travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel accident insurance, communications expenses, uniform and personal protective appliances. This is to express our group's commitment to optimal work-life integration and personal effectiveness.

g. **Training and Development**

In building a strong workforce, we are committed to train, to develop and to enhance our workers' skills and knowledge within the industry. This will benefit not only on the personal growth and development of our employees but also the Company's growth as a whole.

Training is also very important to ensure that our employees have the required competencies to perform their work and deliver their best output. We, therefore, encourage our employees to expand their knowledge and to foster personal growth and development by taking on new roles and responsibilities.

Employee Training

Inta Bina provides extensive training to our employees to ensure that all employees are constantly kept up to date with the latest developments within the industry. This is accomplished by providing both administration and on site employees and workers with weekly to monthly training. The following are the types of trainings undergone by most employees:

- **First Aid Course training** (Internal by our Safety Team) – to equip employees on safety measures and life saving methods
- **Fire Drill Training** – all sites and HQ – to train employees on safety and evacuation in times of fire breakout
- **CIDB Supervisory Accreditation** – mandatory requirement by CIDB and all our supervisory employees had undergone and passed assessment interview by CIDB
- **QLASSIC Assessment** training for all site supervisory as well as site management employees conducted by external trainer from Sysnovate
- **Lean 5-S in Construction** to improve productivity and safety at construction sites for all site employees. Training by external trainer from Sysnovate
- A 3-days training and refresher course on **MS Project 2016** for all site employees provided by CADD Centre to enhance efficiency for planning site schedules or programmes
- **Scaffolding Awareness – Falsework: Prevention of Collapse** – safety course attended by all site supervisory employees

No	Course Title	Duration/Period
1	Empowering Supervisory Skill towards Effective OSH Management	23-24 March 2019 (2 Days)
2	QLASSIC Assessment for Building Projects	11 & 18 May 2019 (2 Days)
3	Lean in 5S in Construction – Improving Productivity and Safety	14 & 15 June 2019 (2 Days)
4	Vision Zero Conference Malaysia 2019 (Safety/Health/Wellbeing)	9 & 10 July 2019 (2 Days)
5	Shape the Future with the Right Questions	25-27 July 2019 (3 Days)
6	"You Can Start Tomorrow" Talk	4 September 2019 (1 Day)
7	Microsoft Project 2016 Training	12, 19 & 26 October 2019 (3 Days)
8	"Entrepreneurship" Talk	18 Oct 2019 (1 Day)
9	Building & Construction Conference 2019	29 October 2019 (1 Day)
10	Lifting Supervisor	30 & 31 October 2019 (2 Days)
11	Falsework: Prevention of Collapse	2 November 2019 (1 Day)
12	Safety Leadership in OSH Management	25 & 26 November 2019 (2 Days)

Weekly Toolbox Meetings and Safety Training

All employees working at construction sites are also given weekly training courses during mandatory toolbox meetings to ensure that they stay informed about any new safety or legal matters or to refresh themselves on daily safety and work practices.

No. of Weekly Toolbox Meetings & Safety Training in 2019

Project Sites	Weekly Safety Toolbox	Safety Training
Project 143	40	8
Project 146	50	11
Project 152	52	16
Project 153	51	12
Project 156	52	13
Project 157	49	11
Project 158	52	13
Project 159	29	7
Project 161	23	6

On Site Safety

We ensure that our sites are in compliance with all safety regulations and it is mandatory for all site officers to fully comply or be in the process of complying with these regulations. All site safety officers and managers conduct inspections to ensure that everything is in compliance with current regulations. Each site also keeps a record of their compliances in their monthly reports that state the current status of their compliance and the actions they have taken in compliance with a specific regulation. We aim to achieve 100% compliance with all Malaysian legal requirements and standards for the construction sector. We are in full compliance with standards such as OSHA1994 – Act 514, FMA1967 – Act 139, CIDB – Act 520, DOE 1974 – Act 127 and OHSAS18001.

Inspections and Audits

Inspections and audits of onsite equipment and heavy machinery is carried out on a daily to monthly basis in order to ensure that all our equipment is in good condition and safe to use by our workers.

Type of Inspection and Audit	Date/ Frequency
P152	
Mobile Crane	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly
P143	
Mobile Crane	Daily
Tower Crane	Daily
Passenger Hoist	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Concrete stationery pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly
P157	
Mobile Crane	Daily
Tower Crane	Daily
Passenger Hoist	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Concrete stationery pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly

Type of Inspection and Audit	Date/ Frequency
P156	
Mobile Crane	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly
P146	
Mobile Crane	Daily
Tower Crane	Daily
Passenger Hoist	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Concrete stationery pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly
P159	
Mobile Crane	Daily
Tower Crane	Daily
Passenger Hoist	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Concrete stationery pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly

Type of Inspection and Audit	Date/ Frequency
P158	
Mobile Crane	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly
P153	
Mobile Crane	Daily
Tower Crane	Daily
Passenger Hoist	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Concrete stationery pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly
P161	
Mobile Crane	Daily
Tower Crane	Daily
Passenger Hoist	Daily
Genset	Daily
Air compressor	Daily
Telehandler	Daily
Backhoe	Daily
Mortar Pump	Daily
Concrete stationery pump	Daily
Safety Inspection	Weekly
Scaffolding	Weekly
Falsework	Weekly
First Aid Inspection	Monthly
Fire Extinguisher	Monthly
Power tools	Monthly
JKKP cert/PMA	Monthly

Good Practices

Inta Bina strives to ensure that all sites practice good safety measures in order to create a safe work environment for our workers as well as minimise damage to the surrounding environment. From ensuring proper scaffolding usage for workers working at high levels to cleaning and removing potential hazards on site, we make an effort to establish good practices at all stages during the construction process.

Weekly Safety Inspections

At Inta Bina, we recognise that construction projects are very difficult to manage and issues can arise from different causes such as weather conditions. These issues may be encountered when a project moves into different stages of construction and they can become safety hazards to our workers. We manage these issues by carrying out weekly inspections on all of our ongoing sites, identifying the issues and quickly resolving them. Our workers are also encouraged to report any hazards or issues that they may find while they are working.

Total Site Safety Inspections in 2019

Project Sites	Safety Inspection
Project 143	50
Project 146	54
Project 152	60
Project 153	49
Project 156	62
Project 157	55
Project 158	66
Project 159	29
Project 161	23

Site Memos

Site memos are one of our methods of risk identification and management. Along with weekly inspections, we also utilise site memos in order to identify potential quality defects and safety hazards to be resolved. While some issues may take longer to resolve than others, we still ensure that all issues are speedily resolved within a month at most as quality assurance and safety matters are our top priorities.

Site Memos	No of Site Memos	No of Site Memos Completed	No of Ongoing Site Memos
C&S (Civil & Structure)	215	205	10
Arch (Architecture)	33	32	1
M&E	22	19	3
Landscape	2	2	–
Misc	194	182	12

Environmental Monitoring

An environmental monitoring programme is essential for an effective overall environmental management plan. Environmental monitoring programmes are implemented for all projects by the Group. Environmental monitoring stations are set up in key locations for the purpose of collecting data and identifying potential environmental issues. These issues are outlined in an Environmental Impact Assessment (EIA) report. The DOE will then impose reporting requirements after approval of the EIA report.

Air Quality

Inta Bina monitors the air quality around our sites to ensure that the amount of Total Suspended Particulates (TSP) comply and are below the permissible levels allowed by Recommended Malaysian Air Quality Guidelines given by the Department of Environment (DOE) which is 260 m3. ChemVi Labs Sdn Bhd, an accredited SAAM laboratory, was approached to conduct the environmental air quality monitoring. Monitoring was carried out for 24 hours at all sites. Most of our readings at our ongoing sites were well below that and ranged from 40 to 75. All readings in 2019 were done on a quarterly basis and all TSP levels recorded maintained or were close to that range.

Water Quality

We record readings of total contaminates and suspended solids at our ongoing projects at various monitoring stations and ensure the levels comply with the established permissible limits. Sites P158 and P159 utilised the NWQS Class III limit standards to assess their quality of water. ChemVi Labs conducted the water quality survey by collecting samples and analysing them at a laboratory. Samples were collected at various stations at each site such as silt traps and workers' quarters.

The results showed that DO levels at site P158 and P159 had exceeded the permissible limits, however, this means that the water at both sites were well aerated. P159 had also discovered high amounts of BOD above the limit and have taken action in addressing the matter. Overall, most contaminate and suspended solids limits had complied with the established permissible limits.

Noise Levels

Noise is an expected consequence of construction. Inta Bina ensures that during construction work that noise levels are minimised to avoid public disturbance of nearby residential or populated areas. To accomplish this, we have taken efforts to monitor our noise production at each ongoing project site to ensure that they comply with the permissible levels allowed by the DOE.

Noise readings were carried out by ChemVi Laboratory Sdn Bhd. Noise was monitored for 12 hours at all sites and was later recorded. The results recorded shows that all sites stayed well below the maximum permissible level allowed by the DOE.

Contributing to Society
Below are the activities initiated by IBGB within the financial year 2019.

CSR PROGRAMMES

Sponsorship

Inta Bina is mindful to serve the community to improve the quality of lives of the less fortunate and to help those who are in need of assistance.

Currently the Company is sponsoring 2 students from TARUC, who are pursuing their Bachelor Studies; one pursuing her Bachelor of Construction Management and Economics (Honours) and another pursuing his Bachelor of Quantity Surveying (Honours) degrees.

Internship

Inta Bina has successfully trained a total of 24 nos. of students undergoing their Diploma or Degree programmes from various colleges/universities such as TARUC, UTAR, UKM, UPM, UTM, Inti University, Infrastructure University, Kolej Vocational, and MAHSA University. Students were mainly doing the Civil Engineering, Quantity Surveyor, Construction Management, Mechanical Engineering and Accounting programmes.


Career Fair @ UiTM 2019


Career Fair @ TARUC 2019

Gotong-Royong 2019

Community Service – Gotong Royong

The purpose of gotong-royong is to develop an increased sense of social responsibility and to help to promote cleanliness and hygiene amongst society.

Working in collaboration with MPSJ, Inta Bina volunteered to assign employees in groups of 10 – 12 nos. to help clear up rubbish and clogged drains along streets and back lanes around the vicinity of Head Office. Twice a month, usually on the 1st and 4th Saturdays of the month from 9 am to 12 pm each session was scheduled for the cleaning.

Charity

Inta Bina contributed RM50,000 to Mah Sing Foundation in support of the charity fund raising programme for the benefit of schools and organisations to help the poor and needy. A dinner was held on 10 October 2019 at the Mandarin Oriental Hotel, KL to commemorate this fund raising programme.

Inta Bina also donated RM50,000 towards Mitraland's yearly donation drive to various charitable organisations.

Mah Sing Foundation Charity Night

Mitraland Charity Dinner

Employee Benefits

Below are some team building activities held during the year under review:

Company Trip – Taman Negara Recreation Centre

The aim of the Company trip was to get-together and foster good relationship as well as build Team Spirit amongst employees and management.

Though split to 3 groups of about 45 employees per group, the experience was enriching and fulfilling with rounds of games and sightseeing. At the end, most employees developed more trust and better bonding. Working together is more fun now.

Bi-weekly Get-Together Lunches/Dinners

All employees are invited to join bi-weekly Get-Together lunches or dinners for the purpose of getting together and interacting to get to know one another better.

HQ will have these occasions with all departments within HQ namely, Admin & HR, Purchasing, Contract & Planning, Finance Departments as well as the Directors.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

THE BOARD OF DIRECTORS ("BOARD") OF INTA BINA GROUP BERHAD ("INTA BINA" OR "COMPANY") PRESENTS THIS STATEMENT TO PROVIDE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES OF THE COMPANY UNDER THE LEADERSHIP OF THE BOARD DURING THE FINANCIAL YEAR 2019 AND UP TO THE DATE OF THIS STATEMENT. THIS OVERVIEW TAKES GUIDANCE FROM THE KEY CORPORATE GOVERNANCE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG").

The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of Bursa Securities' Listing Requirements and the Corporate Governance Guide (3rd Edition) issued by Bursa Securities.

The overview statement is to be read together with the CG Report 2019 ("CG Report") of the Company which is available on the Company's website at www.intabina.com. The detailed explanation on the application of the corporate governance practices are reported under the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

Strategic Plans and Directions

The Board takes full responsibility for the oversight and overall performance of the Company and provides leadership within a framework of prudent and effective controls which enables risks to be appropriately assessed and managed. The Board recognises the key role it plays in charting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary duties:
(a) Reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
(b) Overseeing the conduct of the Group's businesses and evaluating whether or not its businesses are being properly managed;
(c) Identify principal business risks faced by the Company and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
(d) Reviewing the adequacy and integrity of the Company's internal control and management information systems;
(e) Carrying out periodic review of the Group's financial performance and operating results and major capital commitments; and
(f) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Company.

The Executive Directors are responsible for implementing policies of the Board, overseeing the Group's operations and developing the Group's business strategies for the Board's review and adoption. The Independent Directors fulfil a pivotal role in corporate accountability by providing independent views, advices and judgement to enable a balanced and unbiased decision-making process in safeguarding shareholders' interest.

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees:
(a) Audit Committee ("AC")
(b) Nominating Committee ("NC")
(c) Remuneration Committee ("RC")
(d) Risk Management Committee ("RMC")

All committees have written terms of reference. The Chairman of the respective Committees will report to the Board the outcome of the Committees meetings for the Board's considerations and approvals and extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Company.

Chairman

The Chairman leads the Board and is responsible for the effective performance of the Board. He ensures that all relevant issues and quality information to facilitate decision making and effective running of the Company's business are included in the meeting agenda.

Chairman and CEO

The positions of the Chairman and CEO are held by different individuals. Our Chairman, Mr. Lim Pang Kiam is an Independent Non-Executive Director and manages the Board by focusing on strategy, governance and compliance. The Managing Director, Mr. Lim Ooi Joo and assisted by Mr. Teo Hock Choon, the Deputy Managing Director, manages the business and operations of the Company and implements the Board's decisions. The distinct and separate roles of the Chairman and Managing Director, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.

Qualified and Competent Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Constitution of the Company permits the removal of Company Secretaries by the Board. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretaries and the Management of the requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislations and regulatory framework affecting the Group.

Access to Information and Advice

The Board recognizes that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

The Executive Directors and/or other relevant Board members will furnish comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making. In addition, the Board members are updated on the Company's activities and its operations on a regular basis.

External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Key Senior Management team are also invited to participate at the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the Management team.

All proceedings at the Board meetings are minuted and signed by the Chairman of the meetings. Every Director has also unhindered access to the advice and services of the Company Secretaries as and when required to enable them to discharge their duties effectively.

Board Charter

The Board is guided by a Board Charter which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, board committees, individual directors and Management and issues and decisions reserved for the Board.

The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices.

The Board Charter is published on the Company's corporate website at www.intabina.com.

Code of Conduct and Ethics

In discharging its responsibilities, the Board is also guided by a Code of Conduct for Directors whilst the Management and employees are guided by the Code of Conduct and Ethics in the Employees' Handbook which encompass all aspects of its day to day business operations. Directors and employees of the Group are expected to conform and observe an appropriate decorum and behaviour that promote honesty and integrity when engaging with both employees and stakeholders.

Whistle-Blowing Policy

The Board has in place a Whistle Blowing Policy and serve as a platform and laid out the procedures for employees to raise genuine concerns about any suspected and/or known unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place and/or has taken place and/or may take place in the future at the earliest opportunity, without being subject to victimisation, harassment or discriminatory treatment.

The Whistle Blowing Policy sets out the protection to any reporting individual who has made the disclosure or report in good faith, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedurals flow of making the disclosure or report.

The Board Charter, Code of Ethics, Code of Conduct and Whistle-Blowing Policy are periodically reviewed and updated and are made available for reference on the Group's website at www.intabina.com

The Board is mindful of the provisions of Section 17A of the MACC Act which is expected to come into effect in June 2020. Going forward, the Board will be reviewing its Code of Ethics, Code of Conduct and Whistle-Blowing Policy as well as its business processes to ensure that they are compliant and in line with the new Section 17A.

PART II – BOARD COMPOSITION

Board Composition and Balance

The Board is committed in ensuring that its composition not only reflects the diversity as recommended by the Code, as best as it can, but also the right mix of skills and balance to contribute to the achievement of the Group's goal and business objectives.

During the financial year under review, the Board consists of eight (8) members and comprising four (4) Executive Directors and four (4) Independent Non-Executive Directors. The Board's composition has fully complied with the provisions of the Listing Requirements of Bursa Securities for independent non-executive directors to make up at least one third (1/3rd) of the Board membership and for a director who is qualified under Paragraph 15.09 (1)(c) of Bursa Securities' Listing Requirements to sit on the Audit Committee.

The Directors play an active role in the Board's decision-making process, offering vast experience and knowledge as well as independence and objectivity, acting in the best interests of the Company. All Independent Non-Executive Directors are independent from the management and free from any relationship with any Director and/or major shareholder of the Group.

During the financial year, our NC assisted the Board in its annual assessment of the effectiveness of our Board as a whole and its' Committee. The NC also received the declaration and assessment on the independence of the Independent Non-Executive Directors.

Tenure of Independent Non-Executive Directors

Currently, none of our Independent Non-Executive Directors has served the Board for a cumulative term of (9) years.

In accordance with the Company's Constitution, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office and be eligible for re-election, and all Directors including, the Managing Director, shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Diverse Board and Senior Management Team

The appointments of our Board members and Senior Management are made based on merit, in the context of diversity in skills, experience, age, background, gender, ethnicity and other factors which is in the best interests of our Group.

The current Board composition reflects a balance of Executive and Independent Non-Executive Directors with a mix of qualified and experienced professionals in the field of construction, banking and finance, accountancy, legal and corporate finance. The combination of different professions and skills will enable an effective deliberation among Board members with objective assessment and insights.

The following is the Board's present composition and its skills matrix:

Age Group		Gender		Ethnicity	
41 – 50	3	Male	7	Malay	2
51 – 60	2				
61 – 70	3	Female	1	Chinese	6

Collective Skills and Competence of The Board

Skill/Competence	Description
Leadership	Overall stewardship of the Group, strategy formulation, strong and established business networks, and related corporate or public listed company experience.
Entrepreneurial Acumen	Business development, and assessment of existing and emerging opportunities.
Technical or Professional Qualifications	Construction, engineering, banking, finance, legal and and other related skills.
Sustainability and Stakeholder Management	Governmental relations, community and investor relations, corporate governance and sustainability, and environment and industrial relations.
Finance and Corporate Services	Accounting, company secretarial, audit, legal, financial literacy, human resources and business administration.

Gender Diversity Policy

Although the Group does not have a written policy on the gender diversity, the Board is supportive of diversity in gender, ethnicity and age as such diversification would enlarge the pool of skills, talents, perspective and ideas within the Board. The Group is an equal opportunity employer and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

The evaluation of the suitability of candidates as the new Board member or as a member of the workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender.

Directors' Commitment

To facilitate the Directors' time planning, the annual meeting calendar is prepared and discussed in advance during Boards meeting. The calendar provides Directors with scheduled dates for Board meetings, Board Committees meetings and Annual General Meeting ("AGM").

The Board ordinarily meets at least four (4) times a year to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Additional meetings will also be convened when urgent and important decisions are required to be made in between scheduled meetings.

During the financial year ended 31 December 2019, the Directors recorded full attendance at Board and Committees meetings as follows:

Executive Directors	Board	AC	NC	RC	RMC
Lim Ooi Joo	5/5	–	–	–	1/1
Teo Hock Choon	5/5	–	–	–	1/1
Ahmad Bin Awi	5/5	–	–	–	–
Chau Yik Mun	5/5	–	–	–	–
Independent Non-Executive Directors					
Lim Pang Kiam	5/5	5/5	1/1	1/1	1/1
Yap Yoon Kong	5/5	5/5	1/1	1/1	1/1
Dato' Sia Thian Sang	5/5	5/5	1/1	1/1	1/1
Roshita Binti Sahadan	5/5	5/5	1/1	1/1	–

Chairman
Member

The Board is satisfied with the time commitment given by the Directors and is confident that the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company.

Nominating Committee ("NC")

The Board as a whole is responsible for recommending suitable candidates for Directorships to the Board. In evaluating potential candidates, the Board through the NC will assess directorship suitability based on objective criteria, including:

- Qualification;
- Required competencies, skills, expertise and experience;
- Specialist knowledge or technical skills;
- Professionalism and integrity; and
- Time commitment to the Company

In searching for suitable candidates, the Board may receive suggestions from existing Board Members, Management, and major shareholders. The Board is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.

The current composition of NC comprises of four (4) members, all of whom are Independent Non-Executive Directors. The NC is chaired by Mr. Yap Yoon Kong, our Senior Independent Director.

The terms of reference of NC are available for reference at the Company's website at www.intabina.com

All Directors are encouraged to attend training programmes which they have individually or collectively considered relevant or those identified by the Company, to enable them to discharge their duties effectively and to keep abreast with relevant new development on a continuous basis on rules and regulations, economic, industry and technical developments to further enhance their skills and knowledge. The Directors are also regularly updated by the Management and Company Secretary of changes in statutory requirements, accounting standards and other relevant laws and regulations.

The training and development programmes attended by the Directors during the financial year were as follows:

Director	Programme	Date
Lim Ooi Joo	Bursa Malaysia Thought Leadership Series: Building Corporate Longevity by Erik Vermeulen	26 June 2019
	Shape the Future with the Right Questions by Eagle Communication Ltd	25–27 July 2019
	"You Can Start Tomorrow" Talk by Sunshine Solution	4 September 2019
	Sustainability by Design: Practical Steps for Malaysian Businesses organised by Digi	17 September 2019
	Building & Construction Conference 2019 by MBAM	29 October 2019
	Session on Corporate Governance & Anti-Corruption by Bursa Malaysia and Securities Commission	31 October 2019
Teo Hock Choon	Bursa Malaysia Thought Leadership Series: Building Corporate Longevity by Erik Vermeulen	26 June 2019
	Shape the Future with the Right Questions by Eagle Communication Ltd	25–27 July 2019
	"You Can Start Tomorrow" Talk by Sunshine Solution	4 September 2019
	Building & Construction Conference 2019 by MBAM	29 October 2019
	Session on Corporate Governance & Anti-Corruption by Bursa Malaysia and Securities Commission	31 October 2019
Chau Yik Mun	"You Can Start Tomorrow" Talk by Sunshine Solution	4 September 2019
	Microsoft Project 2016 Training by CADD Centre	12, 19 & 26 October 2019
Lim Pang Kiam	Revisiting the Misconception of Board Remuneration – ICDM Power Talk	13 March 2019
	MIA's Engagement Session with Audit Committee Members on Integrated Reporting	30 April 2019
	Technology Impact on Finance (Blockchain) – by CIMA	11 June 2019
	Stakeholder Engagement Session "Opportunities for Accountants in ASEAN" – by MIA	18 June 2019
	Bursa Malaysia Thought Leadership Series: Building Corporate Longevity by Erik Vermeulen	26 June 2019
	When Disruption Meets Tradition by Erik Vermeulen – ICDM PowerTalk #4	27 June 2019
	Sustainability by Design: Practical Steps for Malaysian Businesses organised by Digi	17 September 2019
	Session on Corporate Governance & Anti–Corruption by Bursa Malaysia and Securities Commission	31 October 2019
	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	8 November 2019

Director	Programme	Date
Yap Yoon Kong	Revisiting the Misconception of Board Remuneration – ICDM Power Talk	13 March 2019
	MIRA Evening Talk and Networking: US–China Trade War – Its Impact on Business and Consumers in ASEAN	9 October 2019
	BDO Tax Seminar 2019	23 October 2019
	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	22 November 2019
	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	22 November 2019
Dato' Sia Thian Sang	MIA's Engagement Session with Audit Committee Members on Integrated Reporting	30 April 2019
	MIRA Evening Talk and Networking: US–China Trade War – Its Impact on Business and Consumers in ASEAN	9 October 2019
Roshita binti Sahadan	Empowering Women Series: Bursa Malaysia Diversity Xperience	25 September & 2 October 2019
	Case Study Workshop for Independent Directors – by Bursa Malaysia	9 October 2019

The directors will continue to undergo periodic training of relevant courses as well as attend seminars, conferences and similar events in keeping themselves abreast with the latest skills and knowledge to discharge their duties effectively.

Annual Assessment

The Board conducted an annual assessment to evaluate the effectiveness of the Board and the Board Committees through the NC for the financial year ended 2019.

Each Director completed separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered.

All assessments and evaluations carried out will be documented and minuted by the Company Secretary. The results of all assessment and comments by Directors are summarised and deliberated at the NC meeting and thereafter reported to the Board for deliberation.

PART III – REMUNERATION

Remuneration Committee

The current composition of RC comprises of four (4) members, all of whom are Independent Non-Executive Directors. The RC is chaired by Dato' Sia Thian Sang.

The terms of reference of RC are available for reference at the Company's website at www.intabina.com

The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

Remuneration Policy

The Remuneration Committee ("RC") oversees the remuneration of directors. The remuneration for directors is in line with the Board's aim to retain, attract and reward talent based on industry benchmarks.

The remuneration package for executive directors are reviewed by the RC and recommended to the Board for approval. It is then decided by the Board without the respective executive directors' participation in determining their remuneration.

Bonuses payable to executive directors are performance based and relate to the individual and the Company's as well as Group's achievement of specific goals. The non-executive directors do not receive any performance related remuneration.

In accordance with the Companies Act 2016 ("the Act"), payment of directors' fees and benefits shall be approved at a general meeting. The Board shall seek shareholders' approval at the upcoming AGM for the payment of directors' fees and benefits for the directors of the Group for the financial year 2019.

The Board is of the view that the disclosure of the Senior Management's remuneration components will not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to talent recruitment and retention issue. Also premised on the confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000 on an unnamed basis.

Details of the remuneration of Directors and Senior Management for the financial year under review are provided in the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

The Audit Committee ("AC") of the Company comprises all Independent Non-Executive Directors and is chaired by our Senior Independent Non-Executive Director, Mr. Yap Yoon Kong.

The AC assesses the suitability and independence of the external auditors on an annual basis. Areas of assessment including amongst others, the external auditor's objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement. The inputs/opinions from the Company's personnel who had constantly contacted with the external audit team throughout the year would also be used as a tool in the judgement of the suitability of the external auditor.

The external auditors, in supporting their independence, will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The external auditors have provided such declaration in their annual audit plan presented to the Audit Committee of the Company during the financial year.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Risk Management Committee ("RMC") was established on 16 April 2016 and comprises a majority of Independent Directors. The primary responsibility and purpose of the RMC is to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing and monitoring the Group's risk management framework and activities on on-going basis. The RMC reports to the Board regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group.

Further information on the Group's risk management and internal control framework is made available in the Statement of Risk Management and Internal Control of this Annual Report 2019.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.

Through its website www.intabina.com and its announcements on Bursa Malaysia's website, the Group shares mandatory public announcements as well as publishes its quarterly and annual results. The quarterly financial results are announced via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

The AGM also serves as a principal forum for dialogue with the shareholders where they will be given the opportunity to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

The Annual Report serves to provide a detailed account of Inta Bina's performance for the financial year as well as its business plans and strategies going forward. The Annual Report is sent to shareholders 28 days prior to the AGM in fulfilment of Practice 12.1 of the MCCG. The Notice of AGM and Proxy Form is also sent 28 days prior to the AGM to enable shareholders to have sufficient time to make arrangements to attend, or to send a proxy in their stead.

The Board continues to encourage shareholders to attend and voice their opinions and concerns and to vote accordingly.

PART II – CONDUCT OF GENERAL MEETINGS

The Company values its AGM as a key shareholder engagement channel. AGMs are conducted in a transparent manner with comprehensive disclosure of financial results, business strategies, the Group's risk factors and its prospects going forward.

Pursuant to the Listing Requirements of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Hence, voting for all resolutions as set out in the Notice of the forthcoming AGM and future general meetings will be conducted by poll. An independent scrutineer will be appointed to validate the votes cast at the general meetings.

Barring unforeseen circumstances, all Directors as well as the Chairman of the respective Board Committees will be present at the forthcoming AGM of the Group to enable the shareholders to raise questions and concerns directly to those responsible.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the financial year ended 31 December 2019, the Company has applied the principles and recommendations of the corporate governance set out in MCCG, where necessary and appropriate.

This Statement is made in accordance with the resolution of the Board of Directors dated 8 May 2020.

AUDIT COMMITTEE
REPORT

1. MEMBERSHIP AND MEETINGS

The Audit Committee ("AC") comprises of four (4) members of which all are Independent Non-Executive Directors, in compliance with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The members of the AC and details of their attendance at the AC Meetings during the financial year ended 31 December 2019 are as follows:

Name	Designation	Number of Meeting(s) Attended
Yap Yoon Kong ^	Chairman, Senior Independent Non-Executive Director	5/5
Lim Pang Kiam ^	Member, Independent Non-Executive Director	5/5
Dato' Sia Thian Sang	Member, Independent Non-Executive Director	5/5
Roshita binti Sahadan	Member, Independent Non-Executive Director	5/5

^ Member of the Malaysian Institute of Accountants

The AC met five (5) times during the financial year. Other Board members and senior management staff attended the meetings by invitation of the AC. The representatives of internal and external auditors were also present during deliberations of the subjects which required their input and advices.

2. TERMS OF REFERENCE

The Terms of Reference of the AC are aligned with the MMLR of Bursa Securities and recommendations of the Malaysian Code on Corporate Governance. The Terms of Reference will be revised accordingly, to cater for changes, if any. The Terms of Reference is available at the Company's website at www.intabina.com

3. SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2019, the AC carried out its duties as set out in its Terms of Reference which included the following:

1. Financial Reporting

a. The AC had reviewed and ensured that the four (4) quarterly financial results of the Group complied with the Malaysian Financial Reporting Standards ("MRFS") and Appendix 9B of the MMLR.

b. The AC had reviewed and made recommendation to the Board in respect of the annual Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2018 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with all the regulatory requirements.

The summary of the AC meetings held were as follows:

Date of Meeting	Subject
26 February 2019	Review of Fourth Quarter Results ended 31 December 2018
16 April 2019	Review of Audited Financial Statements FYE 31 December 2018
23 May 2019	Review of First Quarter Results ended 31 March 2019
28 August 2019	Review of Second Quarter Results ended 30 June 2019
25 November 2019	Review of Third Quarter Results ended 30 September 2019

2. Related Party Transactions

The AC had reviewed on quarterly basis the report of Recurrent Related Party Transactions ("RRPTs") of the Group presented by Management and ensured that these transactions are undertaken in the best interest of the Company, fair, reasonable and on normal commercial terms as well as not detrimental to the interest of the minority shareholders.

3. Annual Reporting

The AC had reviewed the AC Report, Statement on Risk Management & Internal Control and Circular on Proposed Renewal of Shareholders' Mandate for RRPTs to ensure adherence to legal and regulatory reporting requirements and recommended the same to the Board for approval.

4. External Audit

a. The AC had reviewed and discussed with the External Auditors at the meetings held on 26 February 2019 and 16 April 2019 on the Audit Review Memorandum and Audited Financial Statements for the FYE 31 December 2018 respectively.

b. The AC also had one (1) private discussion with the External Auditors without the presence of Management and Executive Directors to discuss on the areas of audit concern and recommendations regarding opportunities for improvement to the internal controls based on observations.

c. The AC deliberated with the External Auditors the emerging financial reporting issues pursuant to the introduction of new accounting standards in particular MFRS 16 on Leases.

d. The AC evaluated the performance of the External Auditors covering areas such as caliber, quality processes, audit team, independence, audit scope and audit communication as well as the audit fees. Based on the evaluation, the AC had recommended to the Board for approval, the re-appointment of the External Auditors for the financial year of 31 December 2019 at its meeting held on 26 February 2019.

e. On 28 August 2019, the AC had reviewed the Audit Planning Memorandum for the financial year ended 31 December 2019 presented by the External Auditors.

5. Internal Audit

a. The AC had reviewed the results of Internal Audit Reports together with the recommendations from the Internal Auditors. The AC considered the Internal Auditors' recommendations taken into account Management's responses and upon which approved the Internal Auditors' proposals for rectification and implement the agreed remedial actions for improvement during the meetings held on 26 February 2019, 28 May 2019 and 28 August 2019.

b. At the meeting held on 26 February 2019, the AC had undertaken assessment of the performance of the Internal Audit Function and was satisfied with the competency, experience and resources of the Internal Audit Function for discharging its role and responsibilities.

The AC is of the opinion that it has discharged its duties in accordance with the Terms of Reference.

4. INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is outsourced to BDO Governance Advisory Sdn Bhd who assist the AC and the Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The IA audit processes were mainly:

- To review the adequacy and test the integrity of the system of internal controls;
- To assess compliance with policies and procedures and recommended best practices; and
- To review and identify any potential areas for improvement in the effectiveness and efficiency of the processes (if any)

The Internal Auditor reports directly to the AC. During the year 2019, the Internal Auditors presented 3 Internal Control Reports to the AC and the areas audited included:

Date of AC Meeting	Internal Control Report	Audit Area
26 Feb 2019	ICR 1 – Procurement to Payment Process	1. Materials Planning and Budgeting 2. Supplier Management 3. Procurement to Payment Process
28 May 2019	ICR 2 – Hire to Retire Cycle	Human resource functions such as employee file management, leave management and payroll processing
28 May 2019	ICR 2 – Recurrent Related Party Transactions	1. Procedures to monitor RRPT 2. Maintenance of records and supporting documentations 3. Agreements terms and conditions entered into with the related parties
28 Aug 2019	ICR 3 – Project Management of Paisley Services Residences	1. Progress Billings to Customer 2. Tendering and Award Procedures to Subcontractors 3. Subcontractor Claims and Payments 4. Project Monitoring 5. Variation Orders Management

The Internal Auditor is guided by the Professional Practices Framework by the Institute of Internal Auditors. Observations and findings from the audit reviews, including the recommended corrective actions were discussed with the Management. The internal audit report together with the Management's response and proposed corrective action plans were then presented to the AC for their review during the quarterly meetings. Follow up review was also conducted to ensure corrective actions have been implemented.

The fees incurred for the outsourcing of the internal audit function for the financial year ended 31 December 2019 was RM72,000.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (THE "STATEMENT") IS PREPARED PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD AND IN ACCORDANCE WITH THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS, A PUBLICATION OF BURSA MALAYSIA SECURITIES BERHAD.

RESPONSIBILITY OF THE BOARD

The Board of Directors ("the Board") acknowledges that it is their responsibility to review, in an ongoing manner, the risk management and internal control system for its adequacy, effectiveness and integrity. The Board maintains overall responsibility for risk oversight through its Audit and Risk Management Committee. The Board is also committed to maintaining a sound system of risk management and internal control within the Group.

The Board has established an Enterprise Risk Management framework ("ERM framework" or "framework") which is based on International accepted framework. The framework aids to the achievement of Group's objectives and strategies by instilling continuous process of identifying, evaluating, profiling, mitigating, reporting and monitoring significant business risks the Group may face.

There are inherent limitations in any system of risk management and internal control ("system"), thus, the system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business and corporate objectives. The system is therefore designed to only provide reasonable, but not absolute, assurance against any material misstatement, financial loss or fraudulent activity.

Management is responsible in developing procedures and processes as well as implement internal controls which will help identify, assess, mitigate and monitor business risks. Management also takes corrective actions as and when needed in order to assist the Board in discharging its duties and responsibilities in maintaining a sound system of risk management and internal control.

The Board has received assurance from the Managing Director and Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the opinion that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, Group's assets and the interests of internal and external stakeholders.

RISK MANAGEMENT

The Group had embarked on risk management initiatives by establishing an Enterprise Risk Management Framework ("ERM"). A Risk Management Working Group ("RMWG") is in place.

The RMWG, comprises of the Head of Departments will have the overall responsibility to report on the current and emerging risks to the attention of the Managing Director, chairman of the RMWG.

The key responsibilities of the RMWG are to provide regular reporting and update to the Board on key risk management issues. The RMWG is also responsible to promote and ensure that the risk management process and culture are embedded throughout the Group.

The key features of the Group's ERM policy are:

- Sound risk management practice promotes effective governance which is integral to the achievement of business objectives.
- Embedding risk management into day-to-day management processes, decision-making and strategic planning.
- Every employee of the organisation is responsible to manage risks within their areas of responsibility.
- Periodic reporting and monitoring activities instils accountability and responsibility for managing risks.
- The risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats.

INTERNAL CONTROL SYSTEM

Internal control is embedded in the Group's operations as follows:

- Clear organisational structure with defined reporting lines;
- Clearly documented ISO procedures for construction operation and clearly defined job description for the purpose of succession planning;
- Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and internal control activities;
- Internal audit function provides assurance of the effectiveness of the system of internal control within the Group. Regular internal audit visits are undertaken to review the effectiveness of the control procedures;
- Review of internal audit reports and follow-up on findings by the Audit Committee;
- Regular Board and Audit Committee meetings to assess the Group's internal controls, performance and risks;
- Review of monthly project progress reports submitted to monitor the operations of all project sites.
- Review of quarterly management reports to deliberate on results and business strategies; and
- Human resource function sets out policies for recruitment, training and staff appraisal to ensure that staff is competent and adequately trained in carrying out their responsibilities.

INTERNAL AUDIT FUNCTION

The Internal Audit Function ("IAF") is carried out in accordance with the International Professional Practice Framework ("IPPF") by an independent professional firm, namely BDO Governance Advisory Sdn Bhd. The IAF team is headed by Executive Director who possesses the relevant qualification and experience is assisted by three (3) staff including a manager.

The internal audit reviews are performed based on an internal audit plan approved by the Audit Committee. Internal Audit reviews findings together with management's comments and action plans are presented and reviewed by the Audit Committee. Follow-up reviews will be conducted to report to the Audit Committee on the status of implementation of management action plans.

For the financial year ended 31 December 2019, the following 3 significant business units were identified and selected for internal audit with the Audit Committee's concurrence:

Business Unit	Department/Function	Areas covered
Inta Bina Sdn Bhd	Procurement to Payment	• Material planning and budgeting • Supplier management • Procurement to payment process
	Human Resources and Recurrent Related Parties Transaction	• Regulatory compliance • Hire to retire • Recurrent related party transaction
	Project Management of Paisley Serviced Residences	• Progress billings to supplier • Tendering and award procedures to subcontractors • Subcontractor claims and payments • Project monitoring • Variation orders management

The total cost incurred for the outsourced internal audit function for the financial year under review amounted to RM72,000.

ISO AUDIT FUNCTION

As per requirement of the ISO 9001:2015 – QMS certifications, scheduled audits on yearly basis are conducted by the independent certification body, Lloyd's Register & Bureau Veritas. Management Review Committee reviews the issues arising from these audits, develop action plans and follow-up reviews are conducted to ensure all matters has been resolved.

CONCLUSION

In assisting the Board to assess the adequacy and operating effectiveness of the Group's risk management and internal control system, the Audit and Risk Management Committee conducted a review of the observations raised by the internal and external auditors. The Board is of the view that there have been no significant weaknesses identified in the risk management and internal control system.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa's Listing Requirements, the external auditors have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2019. Their engagement was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants which does not require the auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Based on their procedures performed, the external auditors have reported that nothing has come to their attention that would cause them to believe that the Statement is not prepared, in all material respect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers nor is factually inaccurate.

This Statement is made in accordance with the resolution of the Board of Directors dated 8 May 2020.

DIRECTORS' **RESPONSIBILITY**

STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the requirements of the Act in Malaysia and the MMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

(i) Adopted appropriate accounting policies and applied them consistently;

(ii) Made judgements and estimates that are reasonable and prudent; and

(iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE **INFORMATION**

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors and a firm affiliated to the External Auditors' firm by the Group and the Company for the financial year ended 31 December 2019 are as follows:

	Group RM	Company RM
Audit services rendered	103,000	28,000
Non-audit services rendered	10,000	10,000
Total	**113,000**	**38,000**

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period.

UTILISATION OF PROCEEDS

There were no proceeds raised from corporate proposals in the year under review.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The breakdown of the aggregate value of the RRPT made during the financial year ended 31 December 2019 is as follows:

<table>
<tr><th rowspan="2"></th><th rowspan="2">Nature of RRPTs</th><th colspan="2">Transacting companies</th><th rowspan="2">Related Parties</th><th rowspan="2">Relationship of Related Parties with Inta Bina Group Berhad</th><th rowspan="2">Aggregate value of RRPT for FYE 31 December 2019 (RM)</th></tr>
<tr><th>Provider</th><th>Recipient</th></tr>
<tr><td>1.</td><td>Supply of construction materials such as timber and plywood and subcontract for supply of door leaves, timber door frames and timber railings to IBSB</td><td>Apexjaya Industries Sdn Bhd</td><td>Inta Bina Sdn Bhd</td><td rowspan="2">1. Lim Ooi Joo
2. Teo Hock Choon
3. Apexjaya Industries Sdn Bhd</td><td>Lim Ooi Joo and Teo Hock Choon are both Directors and Substantial Shareholders of IBGB Group and Apexjaya respectively.</td><td>5,711,000</td></tr>
<tr><td>2.</td><td>Rental income for the premise known as First Floor, No. 21, Jalan SS15/8A, 47500 Subang Jaya, Selangor totalling 1,600 sq. ft.</td><td>Inta Bina Sdn Bhd</td><td>Apexjaya Industries Sdn Bhd</td><td>Apexjaya Industries Sdn Bhd is a Substantial Shareholder of Inta Bina Group Berhad.</td><td>26,400</td></tr>
</table>

	Nature of RRPTs	Transacting companies		Related Parties	Relationship of Related Parties with Inta Bina Group Berhad	Aggregate value of RRPT for FYE 31 December 2019 (RM)
		Provider	Recipient			
3.	Rental expense for the premise known as No. 13, Jalan SS15/8A, 47500 Subang Jaya, Selangor	Lim Yeong Kern	Inta Bina Sdn Bhd	Lim Ooi Joo	Lim Yeong Kern is the son of Lim Ooi Joo, a Director and Substantial Shareholder of Inta Bina Group Berhad	60,000

REPORT AND **FINANCIAL STATEMENTS**

DIRECTORS' **REPORT**

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiary are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	22,448,169	9,373,924

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM
Single tier final dividend of 0.75 sen per ordinary share in respect of the financial year then ended 31 December 2018, paid on 5 July 2019	4,014,442
Single tier interim dividend of 0.50 sen per ordinary share in respect of the financial year then ended 31 December 2019, paid on 20 December 2019	2,676,295

The board of directors had on 25 February 2020, declared a second interim single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2019 amounting to RM2,676,295. The financial statements for the current financial year do not reflect this second interim dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2020.

The directors do not recommend the payment of any final dividends in respect of the financial year ended 31 December 2019.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which have arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

DIRECTORS' REPORT

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lim Ooi Joo*
Teo Hock Choon*
Ahmad Bin Awi*
Lim Pang Kiam
Chau Yik Mun
Yap Yoon Kong
Dato' Sia Thian Sang
Roshita Binti Sahadan

* Directors of the Company and its subsidiary

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.1.2019	Bought	Sold	At 31.12.2019
The Company				
Direct interests:				
Lim Ooi Joo	48,738,050	300,000	–	49,038,050
Teo Hock Choon	47,302,850	–	–	47,302,850
Ahmad Bin Awi	67,442,600	–	–	67,442,600
Lim Pang Kiam	2,200,000	–	–	2,200,000
Chau Yik Mun	12,411,000	–	–	12,411,000
Yap Yoon Kong	11,292,300	240,500	–	11,532,800
Dato' Sia Thian Sang	2,000,000	–	–	2,000,000
Indirect interests:				
Lim Ooi Joo	181,371,400	–	–	181,371,400

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 22 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

There were no indemnity given to or insurance affected for, any director and officer of the Company.

SUBSIDIARY

The details of the Company's subsidiary are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year is disclosed in Note 31 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 21 to the financial statements.

INDEMNITY TO AUDITORS

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

LIM OOI JOO
Director

....

TEO HOCK CHOON
Director

Petaling Jaya
Date: 8 May 2020

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2019

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	23,883,103	27,120,978	–	–
Investment properties	6	27,993,903	28,039,067	–	–
Investment in a subsidiary	7	–	–	67,820,710	67,820,710
Total non-current assets		51,877,006	55,160,045	67,820,710	67,820,710
Current assets					
Trade and other receivables	8	246,181,901	228,449,641	4,372,314	2,025,084
Current tax assets		131,559	–	131,559	–
Contract assets	9	34,122,969	33,409,083	–	–
Cash and short-term deposits	10	60,122,329	45,278,020	71,028	26,686
		340,558,758	307,136,744	4,574,901	2,051,770
Non-current assets held for sale	11	–	–	–	–
Total current assets		340,558,758	307,136,744	4,574,901	2,051,770
TOTAL ASSETS		392,435,764	362,296,789	72,395,611	69,872,480
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	69,429,011	69,429,011	69,429,011	69,429,011
Reorganisation reserve	13	(34,620,710)	(34,620,710)	–	–
Retained earnings		102,011,492	86,254,060	2,711,919	28,732
TOTAL EQUITY		136,819,793	121,062,361	72,140,930	69,457,743
Non-current liabilities					
Loans and borrowings	14	8,645,007	10,053,957	–	–
Deferred tax liabilities	15	571,453	295,515	–	–
Total non-current liabilities		9,216,460	10,349,472	–	–
Current liabilities					
Loans and borrowings	14	31,044,942	24,446,535	–	–
Current tax liabilities		1,029,542	1,621,667	–	78,480
Contract liabilities	9	25,354,413	38,230,929	–	–
Trade and other payables	16	188,970,614	166,585,825	254,681	336,257
Total current liabilities		246,399,511	230,884,956	254,681	414,737
TOTAL LIABILITIES		255,615,971	241,234,428	254,681	414,737
TOTAL EQUITY AND LIABILITIES		392,435,764	362,296,789	72,395,611	69,872,480

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	17	411,613,143	383,058,737	9,885,265	–
Cost of sales	18	(367,841,631)	(343,539,327)	–	–
Gross profit		43,771,512	39,519,410	9,885,265	–
Other income	19	2,067,144	3,963,735	72,778	1,280,640
Administrative expenses		(14,102,043)	(14,316,085)	(616,223)	(1,025,491)
Operating profit		31,736,613	29,167,060	9,341,820	255,149
Finance costs	20	(1,904,478)	(1,658,474)	(276)	–
Profit before tax	21	29,832,135	27,508,586	9,341,544	255,149
Income tax (expense)/credit	23	(7,383,966)	(6,308,963)	32,380	(268,565)
Profit/(loss) for the financial year		22,448,169	21,199,623	9,373,924	(13,416)
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income/(loss) for the financial year		22,448,169	21,199,623	9,373,924	(13,416)
Profit/(loss) attributable to:					
Owners of the Company		22,448,169	21,199,623	9,373,924	(13,416)
Non-controlling interests		–	–	–	–
		22,448,169	21,199,623	9,373,924	(13,416)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		22,448,169	21,199,623	9,373,924	(13,416)
Non-controlling interests		–	–	–	–
		22,448,169	21,199,623	9,373,924	(13,416)
Earnings per share (sen)					
– Basic	24	4.19	3.96		
– Diluted	24	4.19	3.96		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the Company			
	Share capital RM	**Reorganisation reserve RM**	**Retained earnings RM**	**Total equity RM**
Group				
At 1 January 2018	69,429,011	(34,620,710)	65,054,437	99,862,738
Total comprehensive income for the financial year	–	–	21,199,623	21,199,623
At 31 December 2018	69,429,011	(34,620,710)	86,254,060	121,062,361
Transaction with owners:				
Dividends paid on shares (Note 25)	–	–	(6,690,737)	(6,690,737)
Total comprehensive income for the financial year	–	–	22,448,169	22,448,169
At 31 December 2019	69,429,011	(34,620,710)	102,011,492	136,819,793

	Attributable to owners of the Company		
	Share capital RM	**Retained earnings RM**	**Total equity RM**
Company			
At 1 January 2018	69,429,011	42,148	69,471,159
Total comprehensive loss for the financial year	–	(13,416)	(13,416)
At 31 December 2018	69,429,011	28,732	69,457,743
Total comprehensive income for the financial year	–	9,373,924	9,373,924
Transaction with owners:			
Dividends (Note 25)	–	(6,690,737)	(6,690,737)
At 31 December 2019	69,429,011	2,711,919	72,140,930

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Cash flows from operating activities				
Profit before tax	29,832,135	27,508,586	9,341,544	255,149
Adjustments for:				
Depreciation of property, plant and equipment	7,582,851	6,215,668	–	–
Depreciation of investment properties	568,999	574,890	–	–
Gain on disposal of non-current asset held for sale	–	(464,336)	–	–
Gain on disposal of property, plant and equipment	(52,600)	(364,509)	–	–
Gain on disposal of investment properties	(168,366)	(1,530,887)	–	–
Reversal of impairment losses on trade receivables	187,272	–	–	–
Interest expense	1,783,672	1,658,474	–	–
Interest income	(1,002,071)	(805,534)	(72,778)	(1,280,640)
Dividend income	–	–	(9,706,000)	–
Operating profit/(loss) before changes in working capital	38,731,892	32,792,352	(437,234)	(1,025,491)
Changes in working capital:				
Receivables	(19,845,001)	(83,842,002)	1,200	–
Payables	22,384,789	45,497,882	(81,576)	166,257
Contract assets/liabilities	(13,590,402)	19,703,532	–	–
Net cash flows generated from/(used in) operations	27,681,278	14,151,764	(517,610)	(859,234)
Interests received	–	–	209	7,269
Income tax paid	(7,831,712)	(7,526,048)	(177,659)	(275,467)
Net cash flows from/(used in) operating activities	19,849,566	6,625,716	(695,060)	(1,127,432)
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,452,721)	(13,800,654)	–	–
Purchase of investment properties	–	(8,116,126)	–	–
Proceeds from disposal of property, plant and equipment	52,600	364,509	–	–
(Advances)/Repayment (to)/from a subsidiary	–	–	(2,348,430)	22,775,725
Acquisition of shares	–	–	–	(25,000,000)
Interest received	1,002,071	805,534	72,569	1,273,371
Proceeds from disposal of investment property	1,570,000	6,571,706	–	–
Proceeds from disposal of non-current assets held for sale	–	1,044,600	–	–
Dividend received	–	–	9,706,000	–
Net cash flows from/(used in) investing activities	1,171,950	(13,130,431)	7,430,139	(950,904)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Cash flows from financing activities				
Interests paid	(1,783,672)	(1,658,474)	–	–
Fixed deposits pledged as security values	(6,462,626)	(397,432)	–	2,014,849
Net drawdown of short-term borrowings	4,650,000	16,904,000	–	–
Net repayment of Islamic term financing	(1,284,399)	(175,430)	–	–
Net repayment of term loans	(276,743)	(260,654)	–	–
Dividends paid	(6,690,737)	–	(6,690,737)	–
Net drawdown/(repayment) of finance lease liabilities	(2,698,413)	2,585,257	–	–
Net cash flows (used in)/from financing activities	(14,546,590)	16,997,267	(6,690,737)	2,014,849
Net increase/(decrease) in cash and cash equivalents	6,474,926	10,492,552	44,342	(63,487)
Cash and cash equivalents at the beginning of the financial year	11,778,764	1,286,212	26,686	90,173
Cash and cash equivalents at the end of the financial year (Note 10)	18,253,690	11,778,764	71,028	26,686

(a) Purchase of property, plant and equipment

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Purchase of property, plant and equipment	4,344,976	13,800,654	–	–
Financed by way of finance lease arrangements	(2,892,255)	(5,453,790)	–	–
Cash payments on purchase of property, plant and equipment	1,452,721	8,346,864	–	–

(b) Total cash outflows from leases

During the financial year, the Group had total cash outflows for leases of RM2,698,413.

(c) **Reconciliation of liabilities arising from financing activities:**

	1 January 2019 RM	Cash flows RM	Non-cash Acquisitions RM	31 December 2019 RM
Term loans	3,229,549	(276,743)	–	2,952,806
Islamic term financing	3,918,036	(1,284,399)	–	2,633,637
Lease liabilties	6,508,083	(2,698,413)	2,892,255	6,701,925
Banker's acceptance	15,904,000	852,000	–	16,756,000
Revolving credit	1,000,000	–	–	1,000,000
Invoice financing	–	3,798,000	–	3,798,000
	30,559,668	390,445	2,892,255	33,842,368

	1 January 2018 RM	Cash flows RM	Non-cash Acquisitions RM	31 December 2018 RM
Term loans	3,490,203	(260,654)	–	3,229,549
Islamic term financing	4,093,466	(175,430)	–	3,918,036
Finance lease liabilties	3,922,826	(2,868,533)	5,453,790	6,508,083
Banker's acceptance	–	15,904,000	–	15,904,000
Revolving credit	–	1,000,000	–	1,000,000
	11,506,495	13,599,383	5,453,790	30,559,668

Company

Changes in liabilities arising from financing activities are changes arising from cash flows.

NOTES TO THE **FINANCIAL STATEMENTS**

1. CORPORATE INFORMATION

Inta Bina Group Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 5-9A, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The principal place of business of the Company is located at No. 15 & 17 (1st Floor), Jalan SS15/8A, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 May 2020.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and New IC Interpretation ("IC Int") and explanation of change in accounting policy

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRS

MFRS 16	Leases

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Int

IC Int 23	Uncertainty over Income Tax Treatments

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and New IC Interpretation ("IC Int") and explanation of change in accounting policy (continued)

The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below.

MFRS 16 Leases

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 Leases and IC Int 4 *Determining whether an Arrangement contains a Lease*.

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statements of financial position except for short-term and low value asset leases.

The Group and the Company have applied MFRS 16 using the modified retrospective approach with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application (i.e. 1 January 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

Definition of a lease

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group and the Company have elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 January 2019. Existing lease contracts that are still effective on 1 January 2019 will be accounted for as lease contracts under MFRS 16.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and New IC Interpretation ("IC Int") and explanation of change in accounting policy (continued)

Impact of the adoption of MFRS 16

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group and the Company have complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

(i) Classification and measurement

As a lessee, the Group and the Company previously classified leases as operating or finance leases based on their assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group and to the Company.

On adoption of MFRS 16, for all their leases other than short-term and low value asset leases, the Group and the Company:

- recognised the right-of-use assets and lease liabilities in the statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the statements of cash flows for the current financial year.

For leases that were classified as operating lease under MFRS 117

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's and the Company's incremental borrowing rate at the date of initial application.

The right-of-use assets were measured at an amount equals to the lease liability.

The Group and the Company also applied the following practical expedients wherein they:

(a) applied a single discount rate to a portfolio of leases with similar characteristics;

(b) applied the exemption not to recognise right-to-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application;

(c) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

(d) used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance lease under MFRS 117

The Group and the Company recognised the carrying amount of the lease assets and finance lease liabilities under MFRS 117 immediately before transition as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application. The measurement requirements of MFRS 16 are applied after that date.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and New IC Interpretation ("IC Int") and explanation of change in accounting policy (continued)

Impact of the adoption of MFRS 16 (continued)

(ii) Short-term lease and low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low value assets based on the value of the underlying asset when new. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2020/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discounted Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2022/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(a) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/ improvements to MFRSs are summarised below.

Amendments to MFRS 3 Business Combinations

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to MFRS 10 Consolidated Financial Statements and MRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error

The amendments refine the definition by including 'obscuring information' in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period ; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimate and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiary

Subsidiary is the entity over which the Group is exposed, or has rights, to variable returns from its involvement with the acquiree and has the ability to affect those returns through its power over the acquiree.

The financial statements of the subsidiary are included in the consolidated financial statements from the date the Group obtains control of the acquiree until the date the Group loses control of the acquiree.

Acquisition of entity under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity is recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiary are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets is disclosed in Note 3.10 to the financial statements.

3.3 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10 to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

(ii) Financial liabilities

The Group and the Company classifies its financial liabilities at amortised cost

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

(ii) the Group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either

(a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group and the Company evaluates if, and to what extent, it has retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Freehold building	50 years
Furniture and fittings	12 years
Motor vehicles	5 years
Office equipment	5 to 8 years
Office renovations	8 years
Plant and machineries	4 to 5 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases

Definition of lease

Accounting policies applied from 1 January 2019

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

Accounting policies applied until 31 December 2018

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

Accounting policies applied from 1 January 2019

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(a) Lessee accounting (continued)

Accounting policies applied from 1 January 2019 (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(a) Lessee accounting (continued)

Accounting policies applied from 1 January 2019 (continued)

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting policies applied until 31 December 2018

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group and the Company do not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

(b) Lessor accounting

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

The Group and the Company use the cost model to measure their investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of the impairment losses is in accordance with Note 3.10(b) to the financial statements.

Investments in freehold lands are stated at cost and is not depreciated as it has indefinite useful life. Investments in leasehold lands are amortised over its remaining lease period.

Investment properties under construction are not depreciated until the asset are ready for its intended use. Other investment properties are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 2%.

Transfer are made to or from investment property only when there is a change in use.

3.7 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance).

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

3.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Non-current assets held for sale (continued)

Immediately before classification as held for sale, the assets are remeasured in accordance to the Group's and the Company's accounting policies. Thereafter, generally the assets are measured at the lower of carrying amount and fair value less costs to sell.

Any impairment loss is measured in accordance with the Group's and the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

3.9 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and fixed deposits placed with licensed banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. Cash and cash equivalents are presented net of bank overdraft.

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, lease receivables, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measures loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

The Group and the Company considers a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtors, for economic or contractual reasons relating to the debtors' financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the assets' recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU of groups of CGUs are allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit of groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.11 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.13 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics to the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) with that portfolio.

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue and other income (continued)

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing component if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method. The stage of completion method is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

The Company measures revenue from construction contracts at its transaction price, being the amount of consideration to which the Company expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Company uses the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Company expects to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Company estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs are recognised in profit or loss using the effective interest method.

3.15 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Income tax (continued)

(c) Sales and services tax

Revenues, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares.

3.17 Operating segments

The Group and the Company have identified that it has only one operating segment as all its activities are based in Malaysia and it does not have other nature of product or services besides construction activities.

3.18 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SUMMARY OF ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

4.1 Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group and the Company uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates are depending on the number of days that a trade receivable is past due. The Company uses the grouping according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4.2 Construction revenue and expenses

The Group recognised construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction cost incurred for work performed to date bead to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluate based on past experience and by relying on the work of specialists.

The carrying amounts of contracts assets and contract liabilities are disclosed in Note 9 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Freehold buildings RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Office renovation RM	Plant and machineries RM	Right-of-use assets RM	Total RM
Group									
2019									
Cost									
At 1 January 2019									
– As previously reported	2,340,084	4,780,448	189,158	6,713,641	1,342,504	660,035	31,475,994	–	47,501,864
– Effect of adoption of MFRS16	–	–	–	(1,352,709)	–	–	(16,078,749)	17,431,458	–
Adjusted balance at 1 January 2019	2,340,084	4,780,448	189,158	5,360,932	1,342,504	660,035	15,397,245	17,431,458	47,501,864
Additions	–	–	–	19,150	235,048	–	1,198,523	2,892,255	4,344,976
Disposals	–	–	–	(134,198)	–	–	(1,020,000)	–	(1,154,198)
At 31 December 2019	2,340,084	4,780,448	189,158	5,245,884	1,577,552	660,035	15,575,768	20,323,713	50,692,642
Accumulated depreciation									
At 1 January 2019									
– As previously reported	–	708,028	93,591	3,783,982	669,149	141,467	14,984,669	–	20,380,886
– Effect of adoption of MFRS16	–	–	–	(337,608)	–	–	(4,995,909)	5,333,517	–
Adjusted balance at 1 January 2019	–	708,028	93,591	3,446,374	669,149	141,467	9,988,760	5,333,517	20,380,886
Depreciation charge for the financial year	–	95,609	14,387	627,217	237,209	79,205	1,860,136	4,669,088	7,582,851
Disposals	–	–	–	(134,198)	–	–	(1,020,000)	–	(1,154,198)
At 31 December 2019	–	803,637	107,978	3,939,393	906,358	220,672	10,828,896	10,002,605	26,809,539
Carrying amount									
At 31 December 2019	2,340,084	3,976,811	81,180	1,306,491	671,194	439,363	4,746,872	10,321,108	23,883,103

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Freehold buildings RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Office renovation RM	Plant and machineries RM	Total RM
Group								
2018								
Cost								
At 1 January 2018	2,340,084	4,780,448	224,633	5,827,622	1,733,401	255,425	21,837,285	36,998,898
Additions	–	–	–	1,296,744	147,994	519,591	11,836,325	13,800,654
Written off	–	–	(35,475)	(8,000)	(538,891)	(114,981)	(1,907,616)	(2,604,963)
Disposals	–	–	–	(402,725)	–	–	(290,000)	(692,725)
At 31 December 2018	2,340,084	4,780,448	189,158	6,713,641	1,342,504	660,035	31,475,994	47,501,864
Accumulated depreciation								
At 1 January 2018	–	612,419	114,528	3,275,655	1,004,734	187,549	12,268,021	17,462,906
Depreciation charge for the financial year	–	95,609	14,538	919,052	203,306	68,899	4,914,264	6,215,668
Written off	–	–	(35,475)	(8,000)	(538,891)	(114,981)	(1,907,616)	(2,604,963)
Disposals	–	–	–	(402,725)	–	–	(290,000)	(692,725)
At 31 December 2018	–	708,028	93,591	3,783,982	669,149	141,467	14,984,669	20,380,886
Carrying amount								
At 31 December 2018	2,340,084	4,072,420	95,567	2,929,659	673,355	518,568	16,491,325	27,120,978

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets under finance lease

The carrying amount of assets under a finance lease arrangement are as follows:

	Group 2018 RM
Motor vehicles	1,059,383
Plant and machineries	10,573,745
	11,633,128

(b) Assets pledged as security

Freehold land and buildings with a carrying amount of RM6,316,895 (2018: RM6,412,504) have been pledged to financial institutions for banking facilities granted to the Company as disclosed in Note 14 to the financial statements.

(c) Right-of-use assets

The Group leases several assets including motor vehicles and plant and machineries.

Information about leases for which the Group is a lessee is presented below:

	Motor vehicles RM	Plant and machineries RM	Total RM
Group			
Carrying amount			
At 1 January 2019	1,015,101	11,082,840	12,097,941
Additions	633,880	2,258,375	2,892,255
Depreciation	(365,143)	(4,303,945)	(4,669,088)
At 31 December 2019	1,283,838	9,037,270	10,321,108

The Group leases motor vehicles and plant and machineries with lease terms of 2 to 4 years.

6. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
2019				
Cost				
At 1 January 2019	959,365	1,531,613	27,217,978	29,708,956
Additions	666,034	919,430	427,325	2,012,789
Disposals	(72,936)	–	(1,476,084)	(1,549,020)
At 31 December 2019	1,552,463	2,451,043	26,169,219	30,172,725
Accumulated depreciation				
At 1 January 2019	–	61,954	1,607,935	1,669,889
Depreciation charge for the financial year	–	67,409	501,590	568,999
Disposals	–	–	(60,066)	(60,066)
At 31 December 2019	–	129,363	2,049,459	2,178,822
Carrying amount				
At 31 December 2019	1,552,463	2,321,680	24,119,760	27,993,903
2018				
Cost				
At 1 January 2018	1,933,680	2,450,216	21,784,441	26,168,337
Additions	–	–	8,119,420	8,119,420
Transfer	–	–	817,988	817,988
Disposals	(974,315)	(918,603)	(3,503,871)	(5,396,789)
At 31 December 2018	959,365	1,531,613	27,217,978	29,708,956
Accumulated depreciation				
At 1 January 2018	–	126,244	1,321,431	1,447,675
Depreciation charges for the financial year	–	44,411	527,185	571,596
Transfer	–	–	3,294	3,294
Disposals	–	(108,701)	(243,975)	(352,676)
At 31 December 2018	–	61,954	1,607,935	1,669,889
Carrying amount				
At 31 December 2018	959,365	1,469,659	25,610,043	28,039,067

Land and buildings with carrying amount of RM21,543,390 (2018: RM17,742,811) have been pledged to financial institutions for banking facilities granted to a subsidiary of the Company as disclosed in Note 14 to the financial statements.

Strata titles to certain buildings with carrying amount RM614,066 (2018: RM6,672,321) are pending transfer of name to a subsidiary of the Company.

Titles to certain leasehold land and building and freehold buildings with carrying amount of RM1,447,712 (2018: RM1,772,681) and RM4,388,734 (2018: RM6,200,342) respectively are pending transfer of name to the Company.

Leased assets are pledged as security for the related lease liabilities as disclosed in Note 14 to the financial statements.

6. INVESTMENT PROPERTIES (CONTINUED)

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2019	**2018**
	RM	**RM**
Rental income	650,451	652,386
Direct operating expenses:		
– depreciation of investment properties	568,999	574,890
– insurance costs	3,920	7,316
– finance costs	226,600	342,674
– quit rent and assessment	29,831	53,436

The leasehold lands have lease periods of 99 years and expiring on 5 April 2110, 25 July 2111 and 1 October 2111 respectively.

The fair value of investment properties of approximately RM32,046,101 (2018: RM32,249,676) is categorised at Level 3 of the fair value hierarchy.

There are no Level 1 and Level 2 investment properties or transfers between levels during the financial year (2018: no transfer in either direction).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3 as well as significant unobservable inputs used in the valuation models.

Description	**Valuation technique inputs**	**Significant unobservable input to**	**Relationship of unobservable**
Land and buildings	Sales comparison approach	Price per square foot	The higher the price per square foot, the higher the fair value

Valuation processes applied by the Company

Fair value of several properties is determine based on the Group's internal research, Director's best estimate or by external independent property valuers, Messrs Rahim & Co. who is a member of the Institute of Valuers in Malaysia. There has been no change to the valuation technique during the financial year.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2019 RM	2018 RM
At cost:		
At 1 January	67,820,710	42,820,710
Addition	–	25,000,000
At 31 December	67,820,710	67,820,710

Details of the subsidiary are as follow:

Name of company	Country of incorporation	Ownership interest		Principal activities
		2019 %	2018 %	
Inta Bina Sdn. Bhd.	Malaysia	100	100	Securing and carrying out construction contracts

In previous financial year, the Company subscribed for additional 25,000,000 ordinary shares of Inta Bina Sdn. Bhd. for a cash consideration of RM25,000,000.

8. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Current:					
Trade					
Trade receivables	(a)	125,243,093	132,190,153	–	–
Retention sums		75,523,677	82,006,760	–	–
		200,766,770	214,196,913	–	–
Less: Impaiment for trade receivables		(867,149)	(1,054,421)	–	–
		199,899,621	213,142,492	–	–
Non-trade					
Other receivables	(b)	10,845,817	9,402,805	–	–
GST receivables		56,826	235,435	–	–
Advances to subcontractors		32,522,122	3,098,632	–	–
Deposits		1,286,377	1,155,820	–	–
Prepayments		1,571,138	1,414,457	–	1,200
Amount owing by a subsidiary	(c)	–	–	4,372,314	2,023,884
		46,282,280	15,307,149	4,372,314	2,025,084
Total trade and other receivables		246,181,901	228,449,641	4,372,314	2,025,084

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 60 days (2018: 30 to 45 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of the movement in the impairment of trade receivables is as follows:

	Group	
	2019	**2018**
At 1 January	1,054,421	1,054,421
Reversal of expected credit loss	(187,272)	–
At 31 December	867,149	1,054,421

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are significant financial difficulties and have default on payments.

The above impairment losses relate to the Group's receivables arising from contracts with customers in Note 9 to the financial statements.

(b) Other receivables

Included in other receivables of the Group was advances to a company in which certain directors have interest amounting to Nil (2018: RM75,666). This amount is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

(c) Amount owing by a subsidiary

The amount owing by a subsidiary is unsecured, subject to interest at 6.00% (2018: 6%) per annum, repayable on demand and is expected to be settled in cash.

9. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2019 RM	**2018 RM**
Constract assets	34,122,969	33,409,083
Contract liabilities	(25,354,413)	(38,230,929)
	8,768,556	(4,821,846)

9. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(a) Significant changes in contract balances

	2019		2018	
	Contract assets Increase/ (decrease) RM	Contract liabilities Increase/ (decrease) RM	Contract assets Increase/ (decrease) RM	Contract liabilities Increase/ (decrease) RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	–	38,230,929	–	15,840,041
Increases due to progress billings, but revenue not recognised	–	(25,354,413)	–	(38,230,929)
Increases due to revenue recognised, but no right to consideration	31,830,165	–	32,145,094	–
Transfers from contract assets recognised at the beginning of the period to receivables	(31,116,279)	–	(29,457,738)	–

10. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash and bank balances	7,101,272	15,719,588	71,028	26,686
Short-term deposits placed with licensed banks	53,021,057	29,558,432	–	–
	60,122,329	45,278,020	71,028	26,686

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Short-term deposits placed with licensed banks	53,021,057	29,558,432	–	–
Less: Pledged deposits	(36,021,058)	(29,558,432)	–	–
	16,999,999	–	–	–
Cash and bank balances	7,101,272	15,719,588	71,028	26,686
Bank overdrafts	(5,847,581)	(3,940,824)	–	–
	18,253,690	11,778,764	71,028	26,686

The fixed deposits placed with licensed banks of the Group and of the Company earn interest rates ranging from 2.80% to 3.15% (2018: 3.00% to 3.15%) and Nil (2018: 3.00%) per annum respectively.

The fixed deposits placed with licensed banks of the Group and of the Company have been pledged to licensed banks to secure credit facilities granted to the Group and the Company as disclosed in Note 14 to the financial statements.

11. NON-CURRENT ASSETS HELD FOR SALE

	Group 2019 RM	2018 RM
At 1 January	–	1,398,252
Disposal	–	(580,264)
Transfer to investment property (Note 6)	–	(817,988)
At 31 December	–	–

12. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2019 Unit	2018 Unit	2019 RM	2018 RM
Issued and fully paid up:				
At 1 January/31 December	535,259,000	535,259,000	69,429,011	69,429,011

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

13. REORGANISATION RESERVE

The reorganisation reserve was resulted from the difference between the carrying value of the investment in a subsidiary and the nominal value of the shares of the Company's subsidiary upon consolidation under the reorganisation scheme.

14. LOANS AND BORROWINGS

	Note	Group 2019 RM	2018 RM
Non-current:			
Term loans	(a)	2,645,273	2,959,902
Islamic term financing	(b)	2,572,189	3,683,673
Lease liabilities/Finance lease liabilities	(c)	3,427,545	3,410,382
		8,645,007	10,053,957
Current:			
Term loans	(a)	307,533	269,647
Islamic term financing	(b)	61,448	234,363
Lease liabilities/Finance lease liabilities	(c)	3,274,380	3,097,701
Bank overdrafts	(d)	5,847,581	3,940,824
Bankers' acceptance	(d)	16,756,000	15,904,000
Revolving credit	(d)	1,000,000	1,000,000
Invoice financing	(e)	3,798,000	–
		31,044,942	24,446,535
		39,689,949	34,500,492

14. LOANS AND BORROWINGS (CONTINUED)

	Note	Group 2019 RM	2018 RM
Total loans and borrowings			
Term loans		2,952,806	3,229,549
Islamic term financing		2,633,637	3,918,036
Lease liabilities/Finance lease liabilities		6,701,925	6,508,083
Bank overdrafts		5,847,581	3,940,824
Bankers' acceptance		16,756,000	15,904,000
Revolving credit		1,000,000	1,000,000
Invoice financing		3,798,000	–
		39,689,949	34,500,492

(a) Term loans

Term loan 1 of RM372,830 (2018: RM394,616) bears floating interest at a rate of 7.40% (2018: 7.22%) per annum and is repayable via monthly instalments of RM4,137 each over 180 months commencing from March 2013 and is secured by way of:

(i) Legal charge over an investment property of the Group; and,

(ii) Joint and several guarantee by certain directors of the Group.

Term loan 2 of RM526,002 (2018: RM662,879) bears floating interest at a rate of 4.90% (2018: 4.72%) per annum and is repayable via monthly instalments of RM13,781 each over 120 months commencing from April 2013 and is secured by way of:

(i) Legal charge over an investment property of the Group; and,

(ii) Joint and several guarantee by certain directors of the Group.

Term loan 3 of RM364,554 (2018: RM433,742) bears floating interest at a rate of 8.40% (2018: 8.28%) per annum and is repayable via monthly instalments of RM8,530 each over 120 months commencing from November 2013 and is secured by way of:

(i) Legal charge over an investment property of the Group; and,

(ii) Joint and several guarantee by certain directors of the Group.

Term loan 4 of RM1,689,420 (2018: RM1,738,310) bears floating interest at a rate of 4.23% (2018: 4.65%) per annum and is repayable via monthly instalments of RM10,572 each over 300 months commencing from May 2015 and is secured by way of:

(i) Legal charge over an investment property of the Group;

(ii) Corporate guarantee of a corporate shareholder; and

(iii) Joint and several guarantee by certain directors of the Group.

14. LOANS AND BORROWINGS (CONTINUED)

(b) Islamic term financing

Islamic term financing 1 of Nil (2018: RM1,220,906) bear interest at a rate of 4.40% (2018: 4.40%) per annum and is repayable via monthly instalments of RM18,563 each over 120 months commencing from January 2013 and is secured by way of:

(i) Legal charge over an investment property of the Group; and,

(ii) Joint and several guarantee by certain directors of the Group.

Islamic term financing 1 had been settled during the year.

Islamic term financing 2 of RM2,633,637 (2018: RM2,697,129) bear interest at a rate of 4.50% (2018: 4.50%) per annum and is repayable via monthly instalments of RM15,272 each over 360 months commencing from February 2013 and is secured by way of:

(i) Legal charge over an investment property of the Group; and,

(ii) Joint and several guarantee by certain directors of the Group.

(c) Lease liabilities/Finance lease liabilities

Certain motor vehicles and plant and machineries of the Group as disclosed in Note 5(a) are pledged for lease liabilities/finance leases liabilities. Such leases do not have terms for renewal which would give the Group an option to purchase at nominal values at the end of the lease term. The average interest rate implicit in the leases is 3.43% (2018: 3.25%).

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group	
	2019 RM	**2018 RM**
Minimum lease payments		
– Not later than one year	3,544,762	3,373,423
– Later than one year but not later than five years	3,563,353	3,643,389
	7,108,115	7,016,812
Less: Future finance charges	(406,190)	(508,729)
Present value of minimum lease payments	6,701,925	6,508,083
Present value of minimum lease payables:		
– Not later than one year	3,274,380	3,097,701
– Later than one year but not later than five years	3,427,545	3,410,382
	6,701,925	6,508,083
Less: Amount due within 12 months	(3,274,380)	(3,097,701)
	3,427,545	3,410,382

14. LOANS AND BORROWINGS (CONTINUED)

(d) Other bank borrowings

Other bank borrowing bear interests at rates as follows:

	Group 2019 % per annum	Group 2018 % per annum
Floating rates		
Bank overdrafts	8.40% to 8.45%	8.40% to 8.45%
Revolving credit	5.59% to 5.82%	5.82%
Fixed rates		
Bankers' acceptance	3.73% to 5.63%	5.52% to 5.63%
Invoice financing	5.32% to 5.51%	–

(e) Invoice financing

Invoice financing of the Group bears interest at a rate of 5.32% to 5.51% (2018: Nil) per annum and is secured by way of a pledge of short-term deposits.

15. DEFERRED TAX LIABILITIES

	Group 2019 RM	Group 2018 RM
At the beginning of the financial year	295,515	52,614
Recognised in profit or loss (Note 23)	275,938	242,901
At the end of the financial year	571,453	295,515

Deferred tax liabilities comprise mainly the temporary differences between the carrying amounts and the corresponding tax written down values of property, plant and equipment.

	Group 2019 RM	Group 2018 RM
Property, plant and equipment	571,453	295,515

16. TRADE AND OTHER PAYABLES

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Current:					
Trade					
Trade payables	(a)	171,506,203	149,535,212	–	–
Retention sums		13,500,173	15,051,467	–	–
		185,006,376	164,586,679	–	–
Non-trade					
Other payables		3,158,680	857,411	24,181	48,950
Deposits received		232,595	228,570	–	–
Accruals		572,963	913,165	230,500	287,307
		3,964,238	1,999,146	254,681	336,257
Total trade and other payables		188,970,614	166,585,825	254,681	336,257

(a) Trade payables

The normal trade credit terms granted to the Company ranges from 30 to 60 days (2018: 30 to 60 days).

Included in trade payables is an amount of RM2,109,735 (2018: RM1,798,847) due to a corporate shareholder.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 29(b)(ii) to the financial statements.

17. REVENUE

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Revenue from contract customers:				
Construction contracts	411,613,143	383,058,737	–	–
Revenue from other sources:				
Dividend income	–	–	9,706,000	–
Management fee income	–	–	179,265	
	411,613,143	383,058,737	9,885,265	–

17. REVENUE (CONTINUED)

(a) Disaggregation of revenue

Segment information is not presented as the Group is principally engaged in construction industry, which is substantially within a single business segment arising from construction services. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into major goods and services and timing of revenue recognition.

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Major goods or services				
Construction contracts	411,613,143	383,058,737	–	–
Dividend income	–	–	9,706,000	–
Management fee income	–	–	179,265	–
	411,613,143	383,058,737	9,885,265	–
Major goods or services				
Over time	411,613,143	383,058,737	179,265	–
At a point in time	–	–	9,706,000	–
	411,613,143	383,058,737	9,885,265	–

(b) Transaction price allocated to the remaining performance obligation

As of 31 December 2019, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM336 million and the Group will recognise this revenue as the construction is completed, which is expected to occur over the next 12-24 months.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 not to disclose information about remaining performance obligations that have original expected durations of one year or less.

18. COSTS OF SALES

	Group	
	2019	**2018**
	RM	**RM**
Contract costs	367,841,631	343,539,327

19. OTHER INCOME

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Fixed deposit interest income	1,001,862	805,534	–	7,269
Interest income from a subsidiary	–	–	72,569	1,273,371
Interest income from a bank	209	–	209	–
Gain on disposal of property, plant and equipment	52,600	364,509	–	–
Gain on disposal of investment properties	168,366	1,530,887	–	–
Gain on disposal of non-current assets held for sale	–	464,336	–	–
Reversal of allowance for impairment losses on trade receivables	187,272	–	–	–
Rental income from investment properties	650,451	652,386	–	–
Others	6,384	146,083	–	–
	2,067,144	3,963,735	72,778	1,280,640

20. FINANCE COSTS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest expenses on:				
– Bank overdrafts	73,120	103,832	–	–
– Bankers' acceptance	815,364	725,893	–	–
– Lease liabilities/finance lease liabilities	538,234	316,876	–	–
– Revolving credit	42,071	29,180	–	–
– Term loans	226,600	342,674	–	–
– Invoice financing	88,283	–	–	–
Others	120,806	140,019	276	–
	1,904,478	1,658,474	276	–

21. PROFIT BEFORE TAX

Other than as disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit before tax:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Auditors' remuneration				
– Current financial year	113,000	105,000	38,000	35,000
Depreciation of:				
– properties, plant and equipment	7,582,851	6,215,668	–	–
– investment properties	568,999	571,596	–	–
Employee benefits expenses (Note 22)	21,122,064	18,036,952	254,900	210,900
Expenses relating to short term leases	85,570	55,000	–	–
Reversal of impairment losses on trade receivables	(187,272)	–	–	–

22. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Salaries, allowances and bonuses	18,655,342	15,694,290	254,900	210,900
Employees' Provident Funds	1,661,690	1,611,834	–	–
Other staff related benefits	805,032	730,828	–	–
	21,122,064	18,036,952	254,900	210,900
Included in employee benefits expenses are:				
– Directors' remuneration	1,401,530	1,597,754	19,900	–
– Directors' fee	235,000	210,900	235,000	210,900
	1,636,530	1,808,654	254,900	210,900

23. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Statement of comprehensive income				
Current income tax:				
– Current income tax charge	6,849,509	6,423,970	–	255,873
– Adjustment in respect of prior years	258,519	(357,908)	(32,380)	12,692
	7,108,028	6,066,062	(32,380)	268,565
Deferred tax (Note 15):				
– Current year	44,650	143,584	–	–
– Prior years	231,288	99,317	–	–
	275,938	242,901	–	–
Income tax expense/(credit) recognised in profit or loss	7,383,966	6,308,963	(32,380)	268,565

23. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial year.

The reconciliation from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit before tax	29,832,135	27,508,586	9,341,544	255,149
Tax at Malaysian statutory income tax rate of 24% (2018: 24%)	7,159,712	6,602,061	2,241,971	61,236
Adjustments:				
Income not subject to tax	(1,705,444)	(566,336)	(2,329,440)	–
Non-deductible expenses	1,439,891	531,829	87,469	194,637
Adjustment in respect of current income tax of prior years	489,807	(258,591)	(32,380)	12,692
Income tax expense for the financial year	7,383,966	6,308,963	(32,380)	268,565

24. BASIC EARNINGS PER ORDINARY SHARE

(a) The basic earnings per share are based on the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2019 RM	2018 RM
Profit attributable to owners of the Company	22,448,169	21,199,623
Weighted average number of ordinary shares in issue	535,259,000	535,259,000
Basic earnings per share (sen)	4.19	3.96

(b) The diluted earnings per share is equivalent to the basic earnings per share as the Company do not have any potential ordinary shares outstanding at the end of the reporting period.

25. DIVIDENDS

	Company	
	2019	2018
	RM	RM
Recognised during the financial year:		
Single tier final dividend of 0.75 sen per ordinary share in respect of the financial year then ended 31 December 2018, paid on 5 July 2019	4,014,442	–
Single tier interim dividend of 0.50 sen per ordinary share in respect of the financial year then ended 31 December 2019, paid on 20 December 2019	2,676,295	–
	6,690,737	–
Interim dividend declared subsequent to the reporting date (not recognised as a liability as at 31 December):		
Second interim single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2019, paid on 20 April 2020	2,676,295	–

The board of directors had on 25 February 2020, declared second interim single tier dividend of 0.50 sen per ordinary shares in respect of the financial year ended 31 December 2019 amounting RM2,676,295. The financial statements for the current year do not reflect this second interim single tier dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2020.

26. COMMITMENTS

(a) Capital commitments

The Group has made commitments for the following capital expenditures:

	Group	
	2019	2018
	RM	RM
Capital expenditure approved but not contracted for:		
– Investment properties	4,389,800	4,556,200
Capital expenditure approved and contracted for:		
– Investment properties	2,131,000	2,131,000
	6,520,800	6,687,200

(b) Lease commitments – as lessee

The future aggregate minimum lease payments under operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group
	2018
	RM
Not later than one year	60,000
More than one year and not later than five years	125,000
	185,000

27. RELATED PARTIES

(a) Identify of related parties

Parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group and of the Company include:

(a) Subsidiary;

(b) Entities in which directors have substantial financial interests; and

(c) Key management personnel, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Construction related cost charged by a substantial corporate shareholder	5,711,000	9,488,000	–	–
Rental income charged to a substantial corporate shareholder	26,400	26,400	–	–
Rental expense charged by a substantial corporate shareholder	60,000	60,000	–	–
Interest income received/receivable from a subsidiary	–	–	72,569	1,273,371
Management fee paid/payable to subsidiary	–	–	–	65,185
Management fee received/receivable from a subsidiary	–	–	179,265	–
Dividends received/receivable from a subsidiary	–	–	6,706,000	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 8 to the financial statements.

(c) Compensation of key management personnel

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Short-term employee benefits	1,426,705	2,581,482	254,900	210,900
Post-employment employee benefits	81,687	192,980	–	–
	1,508,392	2,774,462	254,900	210,900

28. SEGMENT REPORTING

Segment information is not presented as the Group is principally engaged in construction industry, which is substantially within a single business segment and this is consistent with the current practice of internal reporting. The Group operates solely in Malaysia.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned as amortised cost.

	Carrying amount RM	Amortised cost RM
Group		
2019		
Financial assets		
Trade and other receivables*	244,553,937	244,553,937
Cash and short-term deposits	60,122,329	60,122,329
	304,676,266	304,676,266
Financial liabilities		
Loans and borrowings	39,689,949	39,689,949
Trade and other payables	188,970,614	188,970,614
	228,660,563	228,660,563
2018		
Financial assets		
Trade and other receivables *	226,799,749	226,799,749
Cash and short-term deposits	45,278,020	45,278,020
	272,077,769	272,077,769
Financial liabilities		
Loans and borrowings	34,500,492	34,500,492
Trade and other payables	166,585,825	166,585,825
	201,086,317	201,086,317

29. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM	Amortised cost RM
Company		
2019		
Financial assets		
Trade and other receivables *	4,372,314	4,372,314
Cash and short-term deposits	71,028	71,028
	4,443,342	4,443,342
Financial liabilities		
Trade and other payables	254,681	254,681
2018		
Financial assets		
Trade and other receivables *	2,023,884	2,023,884
Cash and short-term deposits	26,686	26,686
	2,050,570	2,050,570
Financial liabilities		
Trade and other payables	336,257	336,257

* *Exclude prepayment and GST receivable*

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for its shareholders. The Group and the Company do not trade in derivative.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's and the Company's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

The carrying amount of trade and other receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group apply the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Gross carrying amount RM	ECL allowance RM	Net balance RM
2019			
Current	53,884,824	–	53,884,824
> 30 days	23,056,348	–	23,056,348
> 60 days	9,795,108	–	9,795,108
> 90 days	36,772,515	–	36,772,515
Retention sums	75,523,677	–	75,523,677
Credit impaired	867,149	–	867,149
	199,899,621	-	199,899,621
2018			
Current	86,535,779	–	86,535,779
> 30 days	17,912,016	–	17,912,016
> 60 days	10,408,163	–	10,408,163
> 90 days	15,225,353	–	15,225,353
Retention sums	82,006,760	–	82,006,760
Credit impaired	1,054,421	–	1,054,421
	213,142,492	–	213,142,492

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

As at the end of the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.10(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables and loans and borrowings.

The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual cash flows			→
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group					
2019					
Trade and other payables	188,970,614	188,970,614	–	–	188,970,614
Loans and borrowings	39,689,949	31,386,152	5,043,579	3,719,521	40,149,252
	228,660,563	220,356,766	5,043,579	3,719,521	229,119,866
2018					
Trade and other payables	166,585,825	166,585,825	–	–	166,585,825
Loans and borrowings	34,500,492	26,345,149	7,050,669	12,389,998	45,785,816
	201,086,317	192,930,974	7,050,669	12,389,998	212,371,641

		← Contractual cash flows			→
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Company					
2019					
Trade and other payables	254,681	254,681	–	–	254,681
2018					
Trade and other payables	336,257	336,257	–	–	336,257

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The Group believe that the impact of interest rate fluctuation will not significantly affect the profitability of the Group and of the Company. As such, sensitivity analysis is not presented.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

The carrying amounts of cash and short-term deposits, short-term receivables and payables and short-term borrowings are reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

It is not practical to determine the fair value of finance lease liabilities and bankers' acceptance which are at fixed rate due to lack of market information of comparable instruments with similar characteristic and risk profile.

Policy on transfer between levels

The fair value of asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 December 2019 and 31 December 2018, there was no transfer between the fair value measurement hierarchy.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2019 and 31 December 2018.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise loans and borrowings less cash and bank balances whilst total capital is the total equity of the Group and of the Company.

30. CAPITAL MANAGEMENT (CONTINUED)

The gearing ratio of the Group as at 31 December 2019 and 31 December 2018 is as follows:

		Group	
	Note	2019 RM	2018 RM
Loans and borrowings	14	39,689,949	34,500,492
Less:			
Short-term deposits placed with licensed banks	10	(53,021,057)	(29,558,432)
Cash and bank balances	10	(7,101,272)	(15,719,588)
Net debts		(20,432,380)	(10,777,528)
Equity		136,819,793	121,062,361
Total equity plus net debts		116,387,413	110,284,833
Net gearing ratio		NM	NM
Gross gearing ratio		0.29	0.28

* *Not meaningful*

The subsidiary is required to maintain a debt to equity ratio not more than 1.50 times and minimum tangible assets of RM55,000,000 to comply with bank covenants.

No gearing ratio is presented at Company level as the Company does not have any borrowings.

31. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

For the Group's and the Company's financial statements for the financial year ended 31 December 2019, the COVID-19 outbreak and the related impacts are considered non-adjusting events in accordance with MFRS 110 Events after the Reporting Period. Consequently, there is no impact on the recognition and measurement of assets and liabilities as at 31 December 2019.

The Group and the Company are unable to reasonably estimate the financial impact of Covid-19 for the financial year ending 31 December 2020 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Group's and the Company's sales, operations and supply chains. The Group and the Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Group and the Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

STATEMENT **BY DIRECTORS**
(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, LIM OOI JOO and TEO HOCK CHOON, being two of the directors of INTA BINA GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 82 to 135 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....
LIM OOI JOO
Director

....
TEO HOCK CHOON
Director

Petaling Jaya
Date: 8 May 2020

STATUTORY **DECLARATION**

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, LEE KAM WENG, being the officer primarily responsible for the financial management of INTA BINA GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 82 to 135 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

....

LEE KAM WENG

MIA Membership No.: CA32117

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the state of Selangor Darul Ehsan on 8 May 2020.

Before me,

Commissioner for Oaths

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF INTA BINA GROUP BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Inta Bina Group Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 82 to 135.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion

Group

Trade receivables and contract assets (Note 8 and Note 9 to the financial statements)

Risk:

As at 31 December 2019, the Group's trade receivables and contract assets amounted to RM200 million and RM34 million respectively.

We focused on this area because the Group made significant judgements over assumption about risk of default and expected loss rate. In making these assumptions, the Group selected inputs to the impairment calculation which was based on the Group's past history, as well as forward looking estimates at the end of the reporting period.

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- developing an understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by the Group;
- obtaining confirmation on balances from selected receivables;
- reviewing subsequent receipts, customer correspondence, considering level of activity with the customer and the Group's explanation on recoverability of identified past due balances; and
- assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

Key Audit Matters (continued)

Revenue recognition for construction activities (Note 17 to the financial statements)

Risk:

The amount of revenue and corresponding costs of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion on construction cost incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant judgement is required, in particular with regards to determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as recoverability of the construction contracts projects.

Our audit response:

Our audit procedure included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumption from previous financial year and discussing with project manager;
- assessing the computed progress towards complete satisfaction of performance obligation for identified projects against architect certificate or consultant certificate; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Company

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kuala Lumpur
Date: 8 May 2020

Andrew Choong Tuck Kuan
No. 03264/04/2021 J
Chartered Accountant

LIST OF **PROPERTIES**

Address	Description of Property/ Existing Use	Tenure/ Expiry of Lease (if any)	Category of Land Use (if any)	Approximate Age of The Buildings	Net Book Value @ 31/12/2019	Date of Last Revaluation
No. 15, Jalan SS15/8A 47500 Subang Jaya Selangor	4-storey shop office/Ground floor – Rented out 1st to 3rd floors – Own use as IBGB's operational headquarters	Freehold	N/A	› 26 years	RM4,826,514	N/A
No. 17, Jalan SS15/8A 47500 Subang Jaya Selangor	4-storey shop office/Ground floor – Rented out 1st to 3rd floors – Own use as IBGB's operational headquarters	Freehold	N/A	› 26 years		N/A
A-01-08 to A-03-08 Pusat Komersial Setapak No. 68, Jalan Taman Ibu Kota Setapak 53300 Kuala Lumpur	3-storey shop office/ Rented out	Freehold	N/A	› 7 years	RM2,478,387	N/A
A4-2, No. 6, Amarin Wickham Jalan Wickham 55000 Kuala Lumpur	Condominium unit on ground floor/Rented out	Freehold	N/A	10 years	RM3,513,102	N/A
A1-2, No. 6, Amarin Wickham Jalan Wickham 55000 Kuala Lumpur	Condominium unit on ground floor/Rented out	Freehold	N/A	10 years	RM2,569,878	N/A
A5-3, No. 6, Amarin Wickham Jalan Wickham 55000 Kuala Lumpur	Condominium unit on ground floor/vacant	Freehold	N/A	10 years	RM3,857,833	N/A
No. 27, Jalan 3/9 Taman Residen Tiara Bandar Baru Selayang 68100 Batu Caves Selangor	4-storey terrace house/Vacant	Leasehold of 99 years expiring on 1 October 2111	N/A	6 years	RM1,619,831	N/A
No. 61, Kuarza 16 Jalan Melawati 7B Taman Kuarza 16 53100 Gombak Kuala Lumpur	Zero lot villa/Site office	Leasehold of 99 years expiring on 25 July 2111	N/A	7 years	RM2,543,702	N/A
No. 62, Kuarza 16 Jalan Melawati 7B Taman Kuarza 16 53100 Gombak Kuala Lumpur	Zero lot villa/Rented out	Leasehold of 99 years expiring on 25 July 2111	N/A	7 years	RM2,647,956	N/A
L006, Estuari Gardens @ Puteri Harbour Bandar Nusajaya 79100 Nusajaya Johor	Double storey terrace house/ Vacant	Freehold	N/A	1 year	RM1,980,342	N/A

N/A – Not Applicable

ANALYSIS OF **SHAREHOLDINGS**

AS AT 30 APRIL 2020

Number of Shares Issued : 535,259,000

Voting rights : One vote for one ordinary share

No. of Shareholders : 2,679

DISTRIBUTION OF SHAREHOLDINGS

Category	No. Of Holders	%	No. Of Shares	%
Less than 100	8	0.30	214	0.00
100 – 1,000	309	11.53	188,800	0.04
1,001 – 10,000	1,099	41.02	6,734,586	1.26
10,001 – 100,000	1,031	38.49	40,974,000	7.65
100,001 to less than 5% of issued shares	227	8.47	148,059,950	27.66
5% and above of issued shares	5	0.19	339,301,450	63.39
TOTAL	**2,679**	**100.00**	**535,259,000**	**100.00**

THIRTY (30) LARGEST SHAREHOLDERS

Nos.	Name of Shareholder	No. of Shares	%
1	Apexjaya Industries Sdn Bhd	149,256,000	27.88
2	Ahmad Bin Awi	67,442,600	12.60
3	Teo Hock Choon	47,302,850	8.84
4	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Lim Ooi Joo	40,000,000	7.48
5	AMSEC Nomfinees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Apexjaya Industries Sdn Bhd	35,300,000	6.59
6	Chau Yik Mun	12,411,000	2.32
7	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Yap Yoon Kong (PW-M01051) (423017)	11,332,800	2.12
8	Foong Jyi Chyuan	10,855,200	2.03
9	Ong Tiau Siang	9,457,700	1.77
10	Lim Ooi Joo	9,038,050	1.69
11	Dato' Sia Thian Sang	5,466,500	1.02
12	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Chee Kheng (8055840)	5,450,000	1.02
13	Lim Lay Ling	3,140,100	0.59
14	Wong Thim Fatt	3,085,900	0.58
15	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Pang Kiam	2,000,000	0.37
16	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chin Hooi	1,800,000	0.34

ANALYSIS OF SHAREHOLDINGS
AS AT 30 APRIL 2020

THIRTY (30) LARGEST SHAREHOLDERS

Nos.	Name of Shareholder	No. of Shares	%
17	Chung Hun Shen	1,673,300	0.31
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Gek Shan	1,539,900	0.29
19	Lim Soon Tiong @ Lim Soon Chong	1,500,000	0.28
20	Hor Kok Choong	1,450,000	0.27
21	Kok Chin Seow	1,307,000	0.24
22	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kwee Choo	1,300,000	0.24
23	Tye Yong Pou	1,300,000	0.24
24	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Pacific Pearl Fund (UT-PM-PPF) (419471)	1,258,300	0.24
25	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Shiou Cherng (J D B TUNGGAL BR-CL)	1,250,000	0.23
26	Lee Siong Chuan	1,210,800	0.23
27	Tan Ah Koon	1,200,000	0.22
28	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Yoong Kah Yin (PB)	1,150,000	0.21
29	Saw Sok Wah	1,117,000	0.21
30	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chang Tiang Pow	1,090,000	0.20

	Substantial Shareholders	Shareholdings			
		Direct Interest	%	Deemed Interest	%
1	Apexjaya Industries Sdn Bhd	184,556,000	34.48	–	–
2	Ahmad Bin Awi	67,442,600	12.60	–	–
3	Lim Ooi Joo	49,038,050	9.16	184,556,000[a]	34.48
4	Teo Hock Choon	47,302,850	8.84	–	–
5	Kok Chin Seow	1,307,000	0.24	184,556,000[a]	34.48

	Directors' Shareholdings	Shareholdings			
		Direct Interest	%	Deemed Interest	%
1	Lim Ooi Joo	49,038,050	9.16	184,556,000[a]	34.48
2	Teo Hock Choon	47,302,850	8.84	–	–
3	Ahmad Bin Awi	67,442,600	12.60	–	–
4	Chau Yik Mun	12,411,000	2.32	–	–
5	Yap Yoon Kong	11,682,800	2.18	–	–
6	Dato' Sia Thian Sang	5,466,500	1.02	–	–
7	Lim Pang Kiam	3,025,000	0.57	–	–
8	Roshita Binti Sahadan	–	–	–	–

Note :
[a] Deemed interested by virtue of their interests in Apexjaya Industries Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

NOTICE OF **ANNUAL GENERAL MEETING**

INTA BINA GROUP BERHAD
Registration No. 201501009545
(1134880-W)

NOTICE IS HEREBY GIVEN THAT the 5th Annual General Meeting ("AGM") of Inta Bina Group Berhad will be **conducted fully virtual** at the Broadcast Venue to be held at Conference Room of Inta Bina Group Berhad, No. 13, 15 & 17 (1st Floor), Jalan SS 15/8A, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 June 2020 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Notes)**
2. To approve the payment of Directors' Fees for the financial year ended 31 December 2019. **RESOLUTION 1**
3. To approve the payment of total Directors' Benefit up to an amount of RM50,000 for the period from the conclusion of the 5th AGM of the Company scheduled on 25 June 2020 until the following AGM of the Company in 2021. **RESOLUTION 2**
4. To re-elect the following Directors, who retire in accordance with Article 16.2 of the Company's Constitution and being eligible, have offered themselves for re-election:
   (i) Mr. Lim Ooi Joo **RESOLUTION 3**
   (ii) En. Ahmad bin Awi **RESOLUTION 4**
   (iii) Mr. Yap Yoon Kong **RESOLUTION 5**
5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT (AF 0117) as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:

6. **ORDINARY RESOLUTION – AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES**

   "THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance." **RESOLUTION 7**

7. **ORDINARY RESOLUTION – PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT approval be and is hereby given to the Company and its subsidiary ("Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Section 2.6 of the Circular to Shareholders dated 27 May 2020, provided that: **RESOLUTION 8**

(a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;

(b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;

(c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and

(d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:

  (i) the related transacting parties and their respective relationship with the Company; and

  (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

(a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. To transact any other business for which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend and vote at the forthcoming AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 14.8 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 ("SICDA"), to issue a General Meeting Record of Depositors as at 18 June 2020. Only a depositor whose name appears on the Record of Depositors as at 18 June 2020 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD
SIEW SUET WEI (MAICSA 7011254)
SSM Practicing Certificate No. 202008001690
LIM YEN TENG (LS0010182)
SSM Practicing Certificate No. 201908000028
Company Secretaries

Kuala Lumpur
Date: 27 May 2020

NOTES:

1. The meeting will be conducted on fully virtual basis through live streaming and online remote voting. Please follow the procedures as set out in Administrative Guide in order to register, participate and vote remotely.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue and in accordance with Article 14.3 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting. No shareholders/ proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.

3. In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 June 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

4. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

5. Where a member appoints more than one (1) proxy but not more than two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

6. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.

8. The duly completed and executed Proxy Form must be deposited at the Company's Registered Office at 5-9A, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Or to email the Proxy Form to the Poll Administrator via email at **AGM-support.IBG@megacorp.com.my** not later than **Tuesday, 23 June 2020 at 10.00 a.m.** Please refer to the Administrative Guide for further details.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), voting at the AGM of the Company will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. **Audited Financial Statements for the financial year ended 31 December 2019**

   This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

2. **Ordinary Resolution No. 1 & 2: Payment of Directors' Fees & Benefits**

   Pursuant to Section 230(1) of the Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' Fees for financial year ended 31 December 2019 and Benefits to the Non-Executive Directors ("NEDs") for the period from 25 June 2020 until the conclusion of the next AGM of the Company to be held in 2021. The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of NEDs in office until the next AGM remains the same.

3. **Ordinary Resolution No. 3, 4 and 5: Re-election of Directors**

Article 16.2 of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Hence, three (3) out of eight (8) Directors are to retire in accordance with Article 16.2 of the Constitution.

The Board through its Nominating Committee had assessed each of the retiring Directors, and considered the following factors in determining their eligibility for re-election:
(a) the required mix of skills and experience;
(b) the character, knowledge, expertise, professionalism, integrity and time availability;
(c) the ability to discharge such responsibilities and functions as expected as Director; and
(d) attendance at Board and Committee Meetings

The profiles of the Directors standing for re-election are set out on pages 8 to 15 of the Annual Report 2019.

4. **Ordinary Resolution No. 6: Re-appointment of Auditors**

The Board and Audit Committee had at their respective meetings on 19 February 2020 recommended the re-appointment of Messrs Baker Tilly Monteiro Heng PLT for the financial year ending 31 December 2020. Messrs Baker Tilly Monteiro Heng PLT have met the criteria prescribed under the Paragraph 15.21 of the MMLR and indicated their willingness to continue their services for the next financial year.

5. **Ordinary Resolution No. 7: Authority under Sections 75 And 76 of the Companies Act 2016 for the Directors to allot and issue shares**

The Company had during its 4th AGM held on 28 May 2019 obtained from its shareholders, a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company up to an amount not exceeding 10% of the issued share capital of the Company and this mandate had not being exercised by the Company.

The proposed Ordinary Resolution 7 is a renewal mandate of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will give the Directors of the Company, the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors would consider to be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

This mandate would provide the Company the flexibility to raise fund including but not limited to placing of shares to finance future projects, working capital and/or acquisitions without having to convene a general meeting.

6. **Ordinary Resolution No. 8: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 8, if passed, will renew the authority for the Company and/or its subsidiary company to enter into recurrent related party transactions of a revenue or trading nature are undertaken in the ordinary course of business which are necessary for the day-today operations on arm's length basis, on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detrimental to the minority shareholders of the Company and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at the next general meeting. Please refer to the Circular to Shareholders dated 27 May 2020 which is despatched together with Annual Report 2019 for further information.

STATEMENT ACCOMPANYING NOTICE OF 5TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There are no individuals who are standing for election as directors (excluding directors standing for a re-election)

ADMINISTRATIVE **GUIDE**

FOR THE FIFTH ANNUAL GENERAL MEETING ("5TH AGM")

INTA BINA GROUP BERHAD
Registration No. 201501009545
(1134880-W)

Day and Date	**Thursday, 25 June 2020**
Time	**10.00 a.m.**
Broadcast Venue	**Conference Room of Inta Bina Group Berhad** **13, 15 & 17 (1st Floor), Jalan SS 15/8A, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan**

DIGITAL BALLOT FORM VOTING AT A FULLY VIRTUAL 5TH AGM

1. As **no shareholder should be physically present at the Broadcast Venue**, shareholders who wish to attend the 5th AGM of the Company will therefore have to do so remotely. Pre-registration of attendance is required via the link **https://bit.ly/2zuY4uZ** (refer to para 11 for further details). After the registration is validated and accepted, shareholders will be sent an email with a link to grant access to the **Digital Ballot Form ("DBF").**

2. With the DBF, you may exercise your rights as a shareholder of the Company to participate (including to pose questions to the Board/Management of the Company) and vote during the 5th AGM, at the comfort of your home or from any location.

3. Shareholders may use the Questions' Pane to submit questions in real time during the meeting via the Webinar solution. Kindly read through the *Webinar and Voting Guide* document, which will be sent together in the email with the DBF.

GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

4. The Company has requested Bursa Malaysia Depository Sdn Bhd to issue a General Meeting ROD as at 18 June 2020. Only a depositor/shareholder whose name appears on the ROD as at 18 June 2020 shall be entitled to attend the 5th AGM or to appoint proxy(ies) to attend and/or vote on his/her behalf.

PROXY/CORPORATE SHAREHOLDERS/NOMINEES ACCOUNTS

5. If a shareholder is not able to attend the Fully Virtual Meeting on 25 June 2020, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form or email the Proxy Form with the proxy's **email address** and **mobile phone number** to the Poll Administrator via email at **AGM-support.IBG@megacorp.com.my** not later than **Tuesday, 23 June 2020 at 10.00 a.m.**

6. Alternatively, you may submit your Proxy Form to the Registered Office of the Company situated at 5-9A, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The Proxy Form must be received by the Company Secretary at the Registered Office no later than **Tuesday, 23 June 2020 at 10.00 a.m. in order for the Poll Administrator to process and send you the DBF to** to participate and vote at the meeting.

7. A corporate shareholder who wishes to participate and vote remotely at the 5th AGM will be required to provide the following documents to the Registered Office stated at para 5. Alternatively, the shareholder may e-mail the same to **AGM-support.IBG@megacorp.com.my.** The documents must be received by no later than **Tuesday, 23 June 2020 at 10.00 a.m.** failing which the corporate representative will not be allowed to participate and vote at the AGM:
   - Certificate of appointment of its Corporate Representative under the seal of the corporation;
   - Corporate Representative's NRIC Nos, e-mail address and hand-phone number.

   The information provided must be complete before the request can be processed. Subject to the specified timeline, upon receipt and verification of such documents, the Corporate Representative will be sent an email providing a link to generate the DBF which will allow the Corporate Representative to participate at the AGM.

8. A beneficiary who holds shares of the Company under a Nominee Company's Central Depository System (CDS) account, and who wishes to participate in the AGM must request his/her Nominee Company to appoint him/her as a proxy. In this respect, the Nominee Company will be required to execute the proxy form to appoint the beneficiary as its proxy and the proxy form must be sent to the Registered Office stated in para 6 or e-mail the same to **AGM-support.IBG@megacorp.com.my** no later than **Tuesday, 23 June 2020 at 10.00 a.m**. failing which the appointment shall be considered as invalid and the beneficiary will not be allowed to participate at the AGM:

   Subject to the specified timeline, upon receipt and successful verification of the proxy form, the proxy will be sent an email providing a link to generate the DBF which will allow the proxy to participate in the AGM.

9. A shareholder who has submitted proxy form appointing another person as his/her proxy may revoke the appointment if he/she should decide to personally participate at the AGM remotely. Should revocation is required, please contact Mega Corporate Services Sdn Bhd at telephone number +60 (3) 26924271 no later than **Tuesday, 23 June 2020 at 10.00 a.m.** to request for revocation. If any shareholder should need clarification on revocation of proxy, he/she can email to **AGM-support.IBG@megacorp.com.my**

POLL VOTING

10. The voting of the 5th AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Mega Corporate Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting and Cygnus IT Solutions PLT as Scrutineers to verify the poll results.

    For the purpose of this AGM, e-voting will be carried out via your internet-enabled device (e.g. Computer/Mobile Phone). The guide to e-voting is available in the same email that is sent to the Shareholder/Proxy/Corporate Representative with the link on the DBF. Please read the instructions carefully and familiarize yourself with the steps needed to exercise your rights at the AGM.

11. Shareholders can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon completion of the voting session at the 5th AGM, the Scrutineers will verify the poll results after which the Chairman will announce the results of the resolutions.

12. The procedures for shareholders to register and to obtain the DBF are as follows:

    - **Step 1**

      Open this link **https://bit.ly/2zuY4uZ** and submit all details requested at least forty-eight (48) hours before the meeting day, i.e. no later than **10.00 a.m**. on **23 June 2020.** Only depositor/shareholder is allowed to register his/her details online. Kindly ensure that the details are accurate and match the details on the ROD or the proxy form. Any discrepancy in details may result in the depositor/shareholder on not receiving the DBF to access to online meeting and to vote.

    - **Step 2**

      A shareholder who has successfully registered himself/herself via the link in Step 1 will receive an email from the Poll Administrator, Mega Corporate Services Sdn. Bhd., who will email the DBF to the respective shareholder/proxy. If your registration is successful and you do not receive an email from the Poll Administrator within 24 hours, please contact the hotline of Mega Corporate Services Sdn. Bhd. at telephone number +60 (3) 26924271. Alternatively you may email to **AGM-support.IBG@megacorp.com.my** with your details.

13. The DBF will contain instructions on how the shareholder or his nominee can participate at the AGM and the access link to the AGM and to participate in voting. You are strongly urged to familiarize yourself with the steps necessary for you to participate and exercise your rights at the AGM. If you are unsure, please reach out to Mega Corporate Services Sdn. Bhd. at their hotline number +60 (3) 2692 4271. Alternatively you can email your queries, with full details of your particulars to **AGM-support.IBG@megacorp.com.my**

PROXY **FORM**

No. of shares held	
CDS Account No.	

INTA BINA GROUP BERHAD
Registration No. 201501009545
(1134880-W)

Shareholder	Email	Mobile No.	NRIC	Address	%
Proxy 1					
Proxy 2					

OR failing him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy, to vote for *me/us and on *my/our behalf at the Fifth (5th) Annual General Meeting ("AGM") of the Company at the Broadcast Venue to be held at Conference Room of Inta Bina Group Berhad, No. 13, 15 & 17 (1st Floor), Jalan SS 15/8A, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 25 June 2020 at 10.00 a.m**. and, at every adjournment thereof *for/against the resolutions to be proposed thereat.

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

		For	Against
RESOLUTION 1	To approve the payment of Directors' Fees for the financial year ended 31 December 2019		
RESOLUTION 2	To approve the payment of total Directors' Benefit up to an amount of RM50,000 for the period from the conclusion of the 5th AGM of the Company scheduled on 25 June 2020 until the following AGM of the Company		
RESOLUTION 3	To re-elect Mr. Lim Ooi Joo who retires pursuant to Article 16.2 of the Company's Constitution		
RESOLUTION 4	To re-elect En. Ahmad bin Awi who retires pursuant to Article 16.2 of the Company's Constitution		
RESOLUTION 5	To re-elect Mr. Yap Yoon Kong who retires pursuant to Article 16.2 of the Company's Constitution		
RESOLUTION 6	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration		
RESOLUTION 7	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
RESOLUTION 8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this __________________ day of____________________2020

____
Signature(s)/Common Seal of Member

Notes:
1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 June 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member appoints more than one (1) proxy but not more than two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
6. The duly completed and executed Proxy Form must be deposited at the Company's Registered Office at 5-9A, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Or to email the Proxy Form to the Poll Administrator via email at **AGM-support.IBG@megacorp.com.my** not later than **Tuesday, 23 June 2020 at 10.00 a.m**. Please refer to the Administrative Guide for further details.

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"FIFTH ANNUAL GENERAL MEETING"

AFFIX STAMP

INTA BINA GROUP BERHAD
Registration No. 201501009545 (1134880-W)
5-9A The Boulevard Offices
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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BINA

INTA BINA GROUP BERHAD (Registration No. 201501009545 (1134880-W))
(Incorporated in Malaysia under the Companies Act, 1965)

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