



LBS BINA GROUP BERHAD

Registration No: 200001015875 (518482-H)
(Incorporated in Malaysia)

Interim Financial Report

31 December 2019

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
- For the financial year ended 31 December 2019

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period	
		Current Year Quarter 31.12.2019 RM'000	Preceding Year Quarter 31.12.2018 RM'000	Current Year To date 31.12.2019 RM'000	Preceding Year To date 31.12.2018 RM'000
Revenue		291,100	166,959	1,325,205	1,122,088
Cost of sales		(195,947)	(71,704)	(946,029)	(762,294)
Gross profit		95,153	95,255	379,176	359,794
Interest income		1,388	570	5,137	5,063
Other income		6,542	6,833	18,696	18,096
Operating expenses		(48,768)	(54,015)	(184,661)	(180,896)
Finance costs		(16,414)	(13,369)	(60,387)	(42,938)
Share of profit of associates, net of tax		89	40	46	16
Profit before tax		37,990	35,314	158,007	159,135
Taxation	B5	(13,976)	(19,144)	(65,487)	(65,132)
Net profit for the financial year		24,014	16,170	92,520	94,003
Net profit for the financial year attributable to:					
Owners of the parent		17,904	17,560	70,672	85,560
Non-controlling interests		6,110	(1,390)	21,848	8,443
		24,014	16,170	92,520	94,003
Earnings per share attributable to owners of the parent:					
Basic (sen)	B10	0.75	0.76	4.14	5.53
Diluted (sen)	B10	0.74	0.75	4.10	5.39

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
- For the financial year ended 31 December 2019 (*cont'd*)

	Unaudited Individual Quarter		Unaudited Cumulative Period	
	Current Year Quarter 31.12.2019 RM'000	Preceding Year Quarter 31.12.2018 RM'000	Current Year To date 31.12.2019 RM'000	Preceding Year To date 31.12.2018 RM'000
Net profit for the financial year	24,014	16,170	92,520	94,003
Other comprehensive income, net of tax:				
Change of stakes in subsidiary companies	1,896	(11,870)	1,800	(19,698)
Exchange translation differences for foreign operations	(1,402)	999	(871)	628
Net fair value changes of financial assets measured at fair value through other comprehensive income ("FVTOCI")	21,586	6,949	14,990	(10,009)
Total comprehensive income for the financial year	46,094	12,248	108,439	64,924
Total comprehensive income for the financial year attributable to:				
Owners of the parent	36,624	36,031	86,255	88,962
Non-controlling interests	9,470	(23,783)	22,184	(24,038)
	46,094	12,248	108,439	64,924

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As At 31 December 2019

	Notes	Unaudited 31.12.2019 RM'000	Audited 31.12.2018 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	A10	350,407	347,040
Right-of-use assets		3,015	-
Capital work-in-progress		86,094	52,059
Inventories - land held for property development		1,394,224	1,520,286
Investment properties		164,777	169,150
Investment in associates		2,559	2,772
Other investments		50,543	74,143
Intangible assets		1,527	2,333
Goodwill on consolidation		113,166	113,508
Trade receivables		3,395	1,039
		2,169,707	2,282,330
Current assets			
Inventories - property development costs		617,524	543,193
Inventories - completed properties and others		258,215	292,763
Contract assets		393,228	204,090
Trade and other receivables		532,554	804,513
Other investments		4,621	3,125
Tax recoverable		5,595	3,311
Fixed deposits with licensed banks		58,153	38,919
Cash held under Housing Development Accounts		105,407	123,036
Cash and bank balances		122,297	78,202
		2,097,594	2,091,152
Non-current asset classified as held for sale		3,000	-
		2,100,594	2,091,152
TOTAL ASSETS		4,270,301	4,373,482
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		817,570	809,604
Redeemable Convertible Preference Shares ("RCPS")		104,904	112,628
Reserves		461,648	427,310
Treasury shares, at cost		(10,933)	(88)
Equity attributable to owners of the parent		1,373,189	1,349,454
Non-controlling interests		91,243	67,601
TOTAL EQUITY		1,464,432	1,417,055

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As At 31 December 2019 (*cont'd*)

	Notes	Unaudited 31.12.2019 RM'000	Audited 31.12.2018 RM'000
<u>LIABILITIES</u>			
Non-current liabilities			
Trade and other payables		461,860	487,572
Finance lease payables	B7	27,001	34,810
Lease liabilities		513	-
Bank borrowings	B7	560,832	547,633
Sukuk Murabahah ("Sukuk")	B7	84,824	89,276
Deferred tax liabilities		3,270	6,206
		<u>1,138,300</u>	<u>1,165,497</u>
Current liabilities			
Contract liabilities		53,724	53,026
Trade and other payables		977,236	1,049,238
Bank overdrafts	B7	93,795	105,468
Finance lease payables	B7	13,671	11,365
Lease liabilities		2,594	-
Bank borrowings	B7	445,973	457,987
Sukuk	B7	4,452	9,659
Redeemable Convertible Preference Shares ("RCPS")	B7	15,000	50,000
Tax payable		61,124	54,187
		<u>1,667,569</u>	<u>1,790,930</u>
TOTAL LIABILITIES		<u>2,805,869</u>	<u>2,956,427</u>
TOTAL EQUITY AND LIABILITIES		<u>4,270,301</u>	<u>4,373,482</u>
Net Assets per share attributable to owners of the parent (RM)		<u>0.89</u>	<u>0.87</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (Registration No: 200001015875 (518482-H))

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- For the financial year ended 31 December 2019 (The figures have not been audited)

<----->
 Attributable to owners of the parent

<----->
 Non-distributable

<----->
 <-Distributable->

	Share capital RM'000	RCPS RM'000	Treasury shares RM'000	ESOS reserve RM'000	Foreign exchange reserve RM'000	Warrant reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1.1.2019											
- as previously reported	809,604	112,628	(88)	5,007	111,313	21,353	(277,835)	567,472	1,349,454	67,601	1,417,055
- effect of adopting MFRS 16	-	-	-	-	-	-	-	(19)	(19)	-	(19)
Balance as at 1.1.2019 (restated)	809,604	112,628	(88)	5,007	111,313	21,353	(277,835)	567,453	1,349,435	67,601	1,417,036
Amount recognised directly in equity:											
Net profit for the financial year	-	-	-	-	-	-	-	70,672	70,672	21,848	92,520
Change of stakes in subsidiary companies	-	-	-	-	-	-	1,845	-	1,845	(45)	1,800
Foreign exchange translation reserve	-	-	-	-	(1,258)	-	6	-	(1,252)	381	(871)
Net fair value changes of financial assets measured at FVTOCI	-	-	-	-	-	-	14,990	-	14,990	-	14,990
Total comprehensive income for the financial year	-	-	-	-	(1,258)	-	16,841	70,672	86,255	22,184	108,439
Transactions with owners:											
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(17,493)	-	(17,493)	1,458	(16,035)
Dividend paid	-	-	-	-	-	-	-	(34,347)	(34,347)	-	(34,347)
Issuance of ordinary shares:											
- Exercise of Employees' Share Option Scheme ("ESOS")	242	-	-	(58)	-	-	-	-	184	-	184
- Conversion of RCPS	7,724	(7,724)	-	-	-	-	-	-	-	-	-
Shares repurchased	-	-	(10,845)	-	-	-	-	-	(10,845)	-	(10,845)
Total transactions with owners	7,966	(7,724)	(10,845)	(58)	-	-	(17,493)	(34,347)	(62,501)	1,458	(61,043)
Balance as at 31.12.2019	817,570	104,904	(10,933)	4,949	110,055	21,353	(278,487)	603,778	1,373,189	91,243	1,464,432

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- For the financial year ended 31 December 2019 (cont'd) (The figures have not been audited)

	← Attributable to owners of the parent →										
	← Non-distributable →								←-Distributable->		
	Share capital RM'000	RCPS RM'000	Treasury shares RM'000	ESOS reserve RM'000	Foreign exchange reserve RM'000	Warrants reserves RM'000	Other reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1.1.2018											
- as previously reported	775,285	125,908	(88)	6,982	109,733	24,976	(283,127)	524,651	1,284,320	89,582	1,373,902
- effect of adopting MFRS 9 and MFRS 15	-	-	-	-	-	-	-	(1,806)	(1,806)	363	(1,443)
Balance as at 1.1.2018 (restated)	775,285	125,908	(88)	6,982	109,733	24,976	(283,127)	522,845	1,282,514	89,945	1,372,459
Amount recognised directly in equity:											
Net profit for the financial year	-	-	-	-	-	-	-	85,560	85,560	8,443	94,003
Change of stake in a subsidiary company	-	-	-	-	-	-	12,194	-	12,194	(31,892)	(19,698)
Foreign exchange translation reserve	-	-	-	-	1,580	-	(363)	-	1,217	(589)	628
Net fair value changes of financial assets measured at FVTOCI	-	-	-	-	-	-	(10,009)	-	(10,009)	-	(10,009)
Total comprehensive income for the financial year	-	-	-	-	1,580	-	1,822	85,560	88,962	(24,038)	64,924
Transactions with owners:											
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	190	190
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(5)	-	(5)	1,504	1,499
Dividend paid	-	-	-	-	-	-	-	(41,013)	(41,013)	-	(41,013)
Issuance of ordinary shares:											
- Exercise of warrants	14,012	-	-	-	-	(148)	-	-	13,864	-	13,864
- Exercise of ESOS	7,027	-	-	(1,895)	-	-	-	-	5,132	-	5,132
- Conversion of RCPS	13,280	(13,280)	-	-	-	-	-	-	-	-	-
Realisation of warrants B reserve	-	-	-	-	-	(3,475)	3,475	-	-	-	-
Realisation of ESOS reserve	-	-	-	(80)	-	-	-	80	-	-	-
Total transactions with owners	34,319	(13,280)	-	(1,975)	-	(3,623)	3,470	(40,933)	(22,022)	1,694	(20,328)
Balance as at 31.12.2018	809,604	112,628	(88)	5,007	111,313	21,353	(277,835)	567,472	1,349,454	67,601	1,417,055

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the financial year ended 31 December 2019

	Unaudited Current Year Ended 31.12.2019 RM'000	Audited Preceding Year Ended 31.12.2018 RM'000
Cash Flows From Operating Activities		
Profit before tax	158,007	159,135
Adjustments for:		
Non-cash items	14,589	(3,077)
Other operating items	53,552	36,444
Operating profit before changes in working capital	<u>226,148</u>	<u>192,502</u>
Changes in working capital:		
Inventories - land and property development costs	79,520	(231,829)
Inventories - completed properties and others	34,549	(29,514)
Contract assets	(189,138)	157,513
Contract liabilities	698	19,375
Receivables	275,551	(91,268)
Payables	28,783	59,200
Foreign exchange reserve	3,145	2,366
	<u>233,108</u>	<u>(114,157)</u>
Cash generated from operations	459,256	78,345
Dividends received	1,459	1,413
Interest received	5,137	5,064
Interest paid	(91,140)	(82,454)
Tax paid	(65,936)	(51,581)
Tax refund	3,107	104
	<u>(147,373)</u>	<u>(127,454)</u>
Net cash from/(used in) operating activities	<u>311,883</u>	<u>(49,109)</u>
Cash Flows From Investing Activities		
Additional investment in:		
- Subsidiary companies and associates	(3,839)	(35,959)
Repayment of prior years' investment in subsidiary companies and associates	(13,935)	(25,606)
Purchase of:		
- Investment properties	-	(3,728)
- Financial assets measured at fair value through profit or loss ("FVTPL")	(32,047)	(1,000)
- Property, plant and equipment	(13,661)	(49,114)
Proceeds from disposal of:		
- Financial assets measured at FVTPL	31,047	-
- Financial assets measured at FVTOCI	36,329	-
- Investment properties	1,028	-
- Property, plant and equipment	1,270	3,773
Deposits and consideration paid for acquisition and joint venture of future development lands	(104,963)	(143,741)
Acquisition of subsidiary companies, net of cash acquired	-	(12,177)
Capital work-in-progress incurred	(49,341)	(32,922)
Net cash used in investing activities	<u>(148,112)</u>	<u>(300,474)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the financial year ended 31 December 2019 (cont'd)

	Unaudited Current Year Ended 31.12.2019 RM'000	Audited Preceding Year Ended 31.12.2018 RM'000
Cash Flows From Financing Activities		
Increase in fixed deposits pledged	(18,970)	(13,799)
(Increase) / Decrease in cash and bank balances pledged	(4,883)	3,219
Drawdown of bank borrowings	808,361	573,294
Repayment of bank borrowings	(809,424)	(395,443)
Drawdown of Sukuk	-	100,500
Repayment of Sukuk	(9,659)	(1,565)
Drawdown of RCPS (liability component)	-	50,000
Dividend paid	(34,347)	(69,194)
Proceeds from:		
- Exercise of ESOS	184	5,132
- Exercise of warrants	-	13,864
- Exercise of warrants in a subsidiary company by non-controlling interests	14	2,520
Purchase of treasury shares	(10,845)	-
Repayment of finance lease payables	(12,527)	(6,075)
Repayment of lease liabilities	(2,970)	-
Repayment of RCPS	(35,000)	-
Net cash (used in)/from financing activities	<u>(130,066)</u>	<u>262,453</u>
Net increase/(decrease) in cash and cash equivalents	33,705	(87,130)
Effect of exchange rate changes	(185)	791
Cash and cash equivalents at the beginning of the financial year	92,219	178,558
Cash and cash equivalents at the end of the financial year	<u>125,739</u>	<u>92,219</u>
Cash and cash equivalents at the end of the financial year comprises:		
Fixed deposits with licensed banks	58,153	38,919
Cash held under Housing Development Accounts	105,407	123,036
Cash and bank balances	122,297	78,202
Bank overdrafts	<u>(93,795)</u>	<u>(105,468)</u>
	192,062	134,689
Less : Fixed deposits pledged with licensed banks	(57,602)	(38,632)
Cash and bank balances pledged	<u>(8,721)</u>	<u>(3,838)</u>
	<u>125,739</u>	<u>92,219</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 : *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Securities.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

A2. Changes in accounting policies

Basis of accounting

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

The financial statements of the Group have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies below.

Standards issued but not yet effective

The Group has not applied the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

	<u>Effective date for financial year beginning on or after</u>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 Definition of Material And MFRS 108	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	1 January 2020
MFRS 17 Insurance contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above new standards and amendments to standards when they become effective.

A2. Changes in accounting policies (cont'd)

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impact on the financial statements of the Group except as mentioned below:

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statements of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional years if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

MFRS 16 is effective for annual year beginning on or after 1 January 2019. The Group has elected to apply MFRS 16 using a modified retrospective approach, whereby the cumulative effect of initial application of MFRS 16 is adjusted to the opening balance of retained earnings at the date of initial applications, as shown below: -

	RM'000
Retained earnings as at 1 January 2019	
- as previously reported	567,472
- effect of adopting MFRS 16	<u>(19)</u>
Retained earnings as at 1 January 2019, as restated	<u>567,453</u>

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group during the financial year under review have not been materially affected by any significant seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the financial year under review.

A6. Material changes in estimates

There were no material changes in estimates that have a material effect on the results for the current financial year.

A7. Debt and equity securities

There were no issuances, repurchases, cancellations, resale and repayments of debts and equity securities during the current financial year, save and except as follows:

(I) Under the Company

(a) Issuance of ordinary shares pursuant to the exercise of options under the ESOS

The Company has issued and allotted 360,000 ordinary shares for cash at exercise prices ranging from RM0.51 to RM0.56 per ordinary share.

(b) Shares repurchased

The Company repurchased 21,197,500 of its ordinary shares in the open market for a total consideration of RM10,844,628 and retained as treasury shares of the Company.

(II) Under MGB Berhad ("MGB"), a listed subsidiary company of the Company

Issuance of 4,766,053 new ordinary shares pursuant to the conversion of 4,766,053 Warrants 2014/2019 at the exercise price of RM0.50 per warrant. The Warrants 2014/2019 expired in October 2019.

A8. Dividends paid

(I) Ordinary shares

There was no dividend paid during the quarter under review.

(II) RCPS

During the financial quarter under review, dividend of 6.6 sen per RCPS in respect of the financial year ended 31 December 2019 was paid on 10 December 2019.

LBS BINA GROUP BERHAD (Registration No: 200001015875 (518482-H))

A9. Segment information

Year ended 31 December 2019

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
Revenue					
Total revenue	1,179,130	657,204	130,156	25,945	1,992,435
Less: Inter-segment revenue	-	(544,719)	(122,511)	-	(667,230)
Revenue from external customers	1,179,130	112,485	7,645	25,945	1,325,205
Financial Results					
Segment results	187,843	22,913	6,940	(4,485)	213,211
Interest income	4,001	84	946	106	5,137
Finance costs	(11,349)	(7,537)	(40,331)	(1,170)	(60,387)
Share of profit/(loss) of associates, net of tax	-	74	(28)	-	46
Profit / (Loss) before tax	180,495	15,534	(32,473)	(5,549)	158,007
Taxation	(51,060)	(7,936)	(8,081)	1,590	(65,487)
Net profit / (loss) for the financial year	129,435	7,598	(40,554)	(3,959)	92,520
Assets					
Additions to non-current assets	204,422	27,603	13,335	3,094	248,454
Segment assets	3,218,822	242,669	601,443	207,367	4,270,301
Other non-cash expenses					
Allowance for impairment losses on:					
- Goodwill arising on consolidation	342	-	-	-	342
- Receivables	333	422	66	-	821
- Investment in associates	-	-	259	-	259
- Property, plant and equipment	-	-	15	-	15
Allowance for expected credit losses on receivables	113	1	-	-	114
Amortisation of intangible assets	-	-	806	-	806
Bad debts written off	510	-	-	77	587
Capital work-in-progress written off	-	-	256	-	256
Property development costs written off	12	-	-	-	12
Deposits written off	-	2	123	-	125
Depreciation of:					
- Investment properties	66	661	1,683	-	2,410
- Property, plant and equipment	5,075	11,506	6,849	7,209	30,639
- Right-of-use assets	461	66	151	-	678
Loss on disposal of financial assets measured at FVTOCI	-	-	1,895	-	1,895
Fair value loss on financial assets measured at FVTPL	-	-	199	-	199
Fair value loss on revaluation of financial assets measured at FVTPL	26	-	-	-	26
Interest expenses - lease liability	91	75	27	-	193
Property, plant and equipment written off	-	-	114	22	136
Provision for claims and staff economic compensation	-	-	-	599	599
Unrealised loss on foreign exchange	-	-	19	-	19
Waiver of interest income	515	-	-	-	515
Other non-cash income					
Contingency sum provided in prior years no longer required	(22,962)	-	-	-	(22,962)
Dividend income from financial assets measured at FVTPL	(343)	-	(136)	-	(479)
Fair value gain on revaluation of financial assets measured at FVTPL	(36)	-	(6)	-	(42)
Gain on disposal of:					
- Investment properties	(189)	-	(99)	-	(288)
- Property, plant and equipment	(250)	(207)	(73)	-	(530)
Reversal of impairment losses on receivables	(814)	-	-	(104)	(918)
Reversal of expected credit losses on receivables	(609)	(41)	(61)	-	(711)
Unrealised gain on foreign exchange	-	-	-	(92)	(92)
Waiver of debts	-	-	(35)	-	(35)

LBS BINA GROUP BERHAD (Registration No: 200001015875 (518482-H))
A9. Segment information (cont'd)
Year ended 31 December 2018

	Property Development RM'000	Construction & Trading RM'000	Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
Revenue					
Total revenue	935,217	709,630	47,072	24,235	1,716,154
Less: Inter-segment revenue	-	(553,407)	(40,659)	-	(594,066)
Revenue from external customers	935,217	156,223	6,413	24,235	1,122,088
Financial Results					
Segment results	114,032	46,733	40,624	(4,395)	196,994
Interest income	4,035	108	818	102	5,063
Finance costs	(5,536)	(3,528)	(32,688)	(1,186)	(42,938)
Share of profit/(loss) of associates, net of tax	-	48	(32)	-	16
Profit / (Loss) before tax	112,531	43,361	8,722	(5,479)	159,135
Taxation	(39,034)	(14,762)	(12,949)	1,613	(65,132)
Net profit / (loss) for the financial year	73,497	28,599	(4,227)	(3,866)	94,003
Assets					
Additional investment in associates	-	15	539	-	554
Additions to non-current assets	201,337	67,705	135,606	5,387	410,035
Segment assets	3,242,411	320,973	596,220	213,878	4,373,482
Other non-cash expenses					
Allowance for impairment losses on:					
- Goodwill arising on consolidation	4,645	-	-	-	4,645
- Investment in associates	-	-	172	-	172
- Investment properties	-	-	284	-	284
- Other investments	-	-	188	-	188
- Receivables	2,233	164	105	17	2,519
Allowance for expected credit losses on receivables	-	101	182	-	283
Bad debts written off	16	-	806	-	822
Deposit written off	2,000	-	-	-	2,000
Depreciation of:					
- Investment properties	42	661	2,347	-	3,050
- Property, plant and equipment	4,395	7,053	6,089	7,129	24,666
Fair value loss on revaluation of financial assets at FVTPL	-	-	2	-	2
Fair value loss on finance assets measured at FVTPL	-	-	352	-	352
Other investment written off	16	-	-	-	16
Property development cost written off	2,016	-	-	-	2,016
Provision for claims and staff economic compensation	-	-	-	617	617
Property, plant and equipment written off	-	320	79	29	428
Waiver of interest income	266	-	-	-	266
Other non-cash income					
Contingency sum provided in prior years no longer required	(37,609)	-	-	-	(37,609)
Dividend income from financial assets measured at FVTPL	-	-	(107)	-	(107)
Gain on disposal of:					
- Property, plant and equipment	(101)	(23)	(265)	-	(389)
- Subsidiary company	-	-	(1,521)	-	(1,521)
Reversal of impairment losses on receivables	(3,952)	(809)	(186)	(101)	(5,048)
Unrealised gain on foreign exchange	-	(129)	(492)	(108)	(729)

A10. Valuation of property, plant and equipment

There was no fair value adjustment to the property, plant and equipment since the last annual audited financial statements.

A11. Changes in the composition of the Group

- (i) On 24 October 2019, Seloka Sinaran Sdn. Bhd. (“SSSB”), a 81% owned subsidiary company of LBS Bina Holdings Sdn. Bhd. (“LBS Bina”), a wholly-owned subsidiary company of the Company, had increased its paid-up share capital from 5,000,000 to 6,000,000 ordinary shares. LBS Bina has subscribed for additional 810,000 ordinary shares in SSSB by way of capitalisation. SSSB remained as a 81% owned subsidiary company of LBS Bina.
- (ii) On 7 November 2019, MGB Construction & Engineering Sdn. Bhd. (formerly known as MITC Engineering Sdn. Bhd.) (“MGBCE”), a wholly-owned subsidiary company of MGB, acquired 225,000 ordinary shares representing 30% equity interest in MGB Geotech Sdn. Bhd. (“MGB Geotech”) for a total cash consideration of RM225,000 only. Consequently, MGB Geotech became a wholly-owned subsidiary company of MGBCE.
- (iii) On 2 December 2019, LBS Capital Sdn. Bhd. (“LCSB”), a wholly-owned subsidiary company of LBS Bina, had increased its paid-up share capital from 2,000,000 to 4,000,000 ordinary shares. LBS Bina subscribed for additional 2,000,000 ordinary shares in LCSB by way of capitalisation.
- (iv) On 6 December 2019, LBS Bina acquired 30 ordinary shares representing 30% equity interest in Induk Pelita Sdn. Bhd. (“IPSB”) for a total cash consideration of RM30 only. Consequently, IPSB became a 81% owned subsidiary company of LBS Bina.
- (v) On 23 December 2019, MGB Sany (M) IBS Sdn. Bhd. (“MGB Sany”), a 51% owned subsidiary company of MGBCE, had increased its paid-up share capital from 4,000,000 to 10,120,000 ordinary shares. MGBCE subscribed for additional 6,120,000 ordinary shares in MGB Sany for a total cash consideration of RM6,120,000 only. Consequently, MGBCE’s equity interest in MGB Sany increased from 51% to 81%. Consequently, MGB Sany became a 81% owned subsidiary company of MGBCE.

(vi) Changes of equity interest in MGB

During the current quarter, the Company’s equity interest in MGB has decreased from 59.80% to 59.36% as the result of the followings:

- a) Conversion of 4,130,039 Warrants 2014/2019 by non-controlling interests at the exercise price of RM0.50 per warrant into 4,130,039 new ordinary shares; and
- b) Acquisition of 275,000 ordinary shares of MGB by the Company for a total cash consideration of RM168,701 only.

Other than the above, there were no changes in the composition of the Group during the current quarter.

A12. Material events subsequent to the end of financial year

- (i) On 8 January 2020, Koleksi Sigma Sdn. Bhd. ("KSSB"), a 75% owned subsidiary company of LBS Bina, had increased its paid-up share capital from 100,000 to 250,000 ordinary shares. LBS Bina has subscribed for an additional 112,500 ordinary shares in KSSB by way of capitalisation. KSSB remained as a 75% owned subsidiary company of LBS Bina.
- (ii) On 17 February 2020, LBS Bina acquired 245,000 ordinary shares representing 49% equity interest in Taman Sempurna Sdn. Bhd. ("TSSB") for a total cash consideration of RM245,000 only. Consequently, TSSB became a wholly-owned subsidiary company of LBS Bina.

There were no other material subsequent events as at 20 February 2020, being the latest practicable date, which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 December 2019 were as follows:

	Amount RM'000
Approved and contracted for:	
a) Property development land	
- Sale and Purchase Agreements	3,420
- Development Rights Agreements	86,940
- Joint Venture Agreements	450,788
b) Property, plant and equipment	2,967
	<u>544,115</u>

A14. Changes in contingent assets or contingent liabilities

	31.12.2019 RM'000	31.12.2018 RM'000
Bank guarantees for :		
- Property Development	49,464	55,837
- Construction Contracts	3,561	9,403
- Others	48	30
	<u>53,073</u>	<u>65,270</u>

There were no contingent assets as at the date of this interim financial report.

A15. Significant related party transactions

The related party transactions for the current financial year were summarised as below:

	Amount RM'000
Income	
Rental income	35
Sale of development properties	2,793
Expenses	
Equity instrument	16,000
Finance costs	288
Legal fee	49
Rental expenses	120
Rendering of services	1,339
Dividend paid	17,271

The nature and relationship between the Group with other related parties are as follows:

- (i) A firm or companies in which a close family member of certain Directors of the Company or subsidiary companies have financial interest;
- (ii) A firm or companies in which certain Directors of the Company or its subsidiary companies have financial interest;
- (iii) Persons who have financial interest in subsidiary companies;
- (iv) Directors and key management personnel of the Company or its subsidiary companies and their close family members;
- (v) A holding company of the Company;
- (vi) An associate of the Company; and
- (vii) A substantial shareholder of the Company.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group performance

Revenue and profit or loss before tax of the respective operating business segments are analysed as follows:

	Individual Quarter			Cumulative Period		
	Current Year Quarter 31.12.2019 RM'000	Preceding Year Quarter 31.12.2018 RM'000	Changes %	Current Year To date 31.12.2019 RM'000	Preceding Year To date 31.12.2018 RM'000	Changes %
Revenue						
Property Development	278,107	117,904	136%	1,179,130	935,217	26%
Construction and Trading	156,869	171,117	-8%	657,204	709,630	-7%
Management, Investment and Others	31,513	6,967	352%	130,156	47,072	177%
Motor Racing Circuit	7,541	7,646	-1%	25,945	24,235	7%
	<u>474,030</u>	<u>303,634</u>	56%	<u>1,992,435</u>	<u>1,716,154</u>	16%
Less: Inter-segment sales	<u>(182,930)</u>	<u>(136,675)</u>	34%	<u>(667,230)</u>	<u>(594,066)</u>	12%
	<u>291,100</u>	<u>166,959</u>	74%	<u>1,325,205</u>	<u>1,122,088</u>	18%
Profit / (Loss) before tax						
Property Development	44,371	31,477	41%	180,495	112,531	60%
Construction and Trading	2,163	3,074	-30%	15,534	43,361	-64%
Management, Investment and Others	(8,568)	(265)	3133%	(32,473)	8,722	-472%
Motor Racing Circuit	24	1,028	98%	(5,549)	(5,479)	1%
	<u>37,990</u>	<u>35,314</u>	8%	<u>158,007</u>	<u>159,135</u>	-1%

For the current quarter under review, the Group achieved revenue and profit before tax ("PBT") of approximately RM291 million and RM38 million respectively. These represent 74% increase in revenue and 8% increase in PBT over the results achieved in the corresponding quarter last year.

For the financial year ended 31 December 2019, the Group achieved revenue and PBT of approximately RM1.33 billion and RM158 million respectively. These represent 18% increase in revenue and 1% decrease in PBT over the results recorded in the financial year 2018.

The contribution from each operating business segment is set out as follows:

Property Development

For the financial year ended 31 December 2019, Property Development segment recorded higher revenue and PBT.

The increase in both revenue and PBT were largely driven by the good take up rate and steady construction progress from our ongoing projects within the Klang Valley, Pahang and Johor.

Revenue and PBT were mainly derived from projects at LBS Alam Perdana, Kita@Cybersouth, Bandar Saujana Putra, Cameron Golden Hills and Skylake Residence.

Projects within the Klang Valley remain as the largest revenue contributor, accounting for more than 75% of the Group's revenue for the current financial year.

B1. Review of Group performance (cont'd)

Construction and Trading

For the financial year ended 31 December 2019, Construction and Trading segment recorded revenue and PBT of approximately RM657 million and RM16 million respectively as compared to revenue of RM710 million and PBT of RM43 million in the corresponding last financial year.

The revenue was primarily contributed from in-house projects. The PBT has decreased mainly due to soft profit margin from on-going construction projects, increase in operating cost, finance costs and depreciation.

Management, Investment and Others

For the financial year ended 31 December 2019, Management, Investment and Others segment recorded revenue of RM130 million and loss before tax ("LBT") of RM32 million as compared to revenue of RM47 million and PBT of RM9 million in the corresponding last financial year.

The increase in revenue and decrease in PBT were mainly due to intra-group transactions.

Motor Racing Circuit

For the financial year ended 31 December 2019, the Motor Racing Circuit segment recorded higher revenue and LBT.

The increase in revenue was primarily due to higher consultancy income.

B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter

	Current Quarter 31.12.2019 RM'000	Immediate Preceding Quarter 30.09.2019 RM'000	Changes (%)
Revenue	291,100	388,164	-25%
Profit before tax ("PBT")	37,990	45,323	-16%

For the quarter under review, the Group achieved revenue of RM291 million and PBT of RM38 million as compared to revenue of RM388 million and PBT of RM45 million in the immediate preceding quarter.

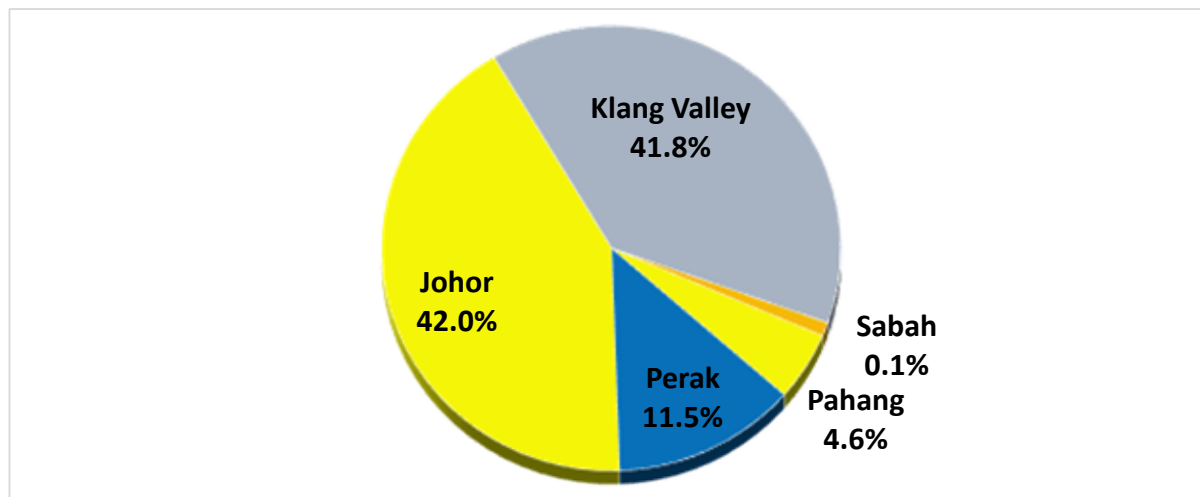
The decrease in revenue and PBT were mainly due to completion of certain projects in the current quarter.

B3. Group's prospects for the next financial year

The Group has achieved sales of RM1.63 billion in the year 2019.

Property development remains as the key driver of our business operations and the Group will continue to focus on the project launches mainly in the Klang Valley.

As at 31 December 2019, the Group has a total land bank of approximately 3,980 acres and the breakdown by geographical area is as follows:



Whilst the prospects for the property industry remains challenging due to global and regional headwinds, the Group's prospects moving forward remain positive with total property sales of approximately RM1.63 billion and total unbilled sales of RM2.24 billion, which are well supported by 18 ongoing projects and a total land bank of approximately 3,980 acres as at 31 December 2019.

B4. Profit forecast or profit guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee to the public.

B5. Taxation

The breakdown of tax expense was as follows:

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.12.2019 RM'000	Preceding year Quarter 31.12.2018 RM'000	Current year To date 31.12.2019 RM'000	Preceding year To date 31.12.2018 RM'000
Current year tax provision	12,146	20,522	66,825	72,440
(Over)/Under provision in prior years	(32)	(38)	657	(4,914)
Deferred taxation	1,862	(1,340)	(1,995)	(2,394)
Total tax expense	13,976	19,144	65,487	65,132

The effective tax rate of the Group for the current quarter and financial year were higher than the statutory tax rate of 24% mainly due to losses of certain subsidiary companies which cannot set off against taxable profits made by other subsidiary companies, non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.

B6. Status of corporate proposals

The following is the status of corporate proposal that has been announced by the Company but has not been completed as at 20 February 2020, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report:

- (i) On 8 March 2017, the Company's indirect subsidiary company, Biz Bena Development Sdn. Bhd. has entered into a Joint Development Agreement with YPJ Plantations Sdn. Bhd. for the proposed development project on a piece of leasehold land with the total land area measuring approximately 541.4 acres held under part of the master title Pajakan Negeri No Hakmilik 57334 Lot 22825 (known as HSD 28627 PTD 10202) in Mukim of Ulu Sungai Johor, District of Kota Tinggi, in the state of Johor.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (ii) On 27 May 2019, MGB together with PNSB Construction Sdn. Bhd. ("PCSB") (collectively referred to as the "Consortium"), has entered into a Development Rights Agreement ("DRA") with Must Ehsan Development Sdn. Bhd. for the development on 3 parcels of leasehold lands all situated in Seksyen 7, Bandar Shah Alam, Daerah Petaling, Negeri Selangor.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (iii) On 5 August 2019, MGB's indirect wholly-owned subsidiary company, Sinaran Kencana Sdn. Bhd. has entered into a Joint Venture Agreement ("JVA") with Aset AZG Sdn. Bhd. to jointly develop all that piece and parcel of 99 years leasehold land expiring on 10 April 2104 held under PN 21282, Lot 15303, Mukim Tanah Rata, Daerah Cameron Highlands, Negeri Pahang measuring approximately 1.884 acres into a block of serviced apartment.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (iv) On 24 January 2020, the consortium of PCSB and MGB together with MGB's indirect wholly-owned subsidiary company, Idaman Living Sdn. Bhd. has entered into a DRA with Solid Benefit Sdn. Bhd. and Eco Green City Sdn. Bhd. for the proposed development on a piece of leasehold land with the total land area measuring approximately 4.882 hectares held under PN116331 Lot 120760 (previously held under HSD 43589 PT 54535) in Mukim Dengkil, Daerah Sepang, in the state of Selangor into affordable homes under Rumah Selangorku Idaman Scheme

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (v) On 24 January 2020, the consortium of PCSB and MGB together with MGB's indirect wholly-owned subsidiary company, Idaman Aktif Sdn. Bhd. has entered into a JVA with Abadi Man Nien Sdn. Bhd. for the proposed development on two pieces of leasehold lands held under H.S.(M) 22704 PT 49907 measuring approximately 8,743 square meters and H.S.(M) 22705 PT49908 measuring approximately 15,769 square meters in Mukim Dengkil, Daerah Sepang, Negeri Selangor into affordable homes under Rumah Selangorku Idaman Scheme.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

B7. Borrowings and debt securities

The Group borrowings and debt securities were as follows:

Year ended 31.12.2019

	<u>Long term</u> RM'000	<u>Short term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	93,795	93,795
Finance lease payables	27,001	13,671	40,672
Bank borrowings	560,832	445,973	1,006,805
Sukuk	84,824	4,452	89,276
RCPS	-	15,000	15,000
Total borrowings	672,657	572,891	1,245,548

Year ended 31.12.2018

	<u>Long term</u> RM'000	<u>Short term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	105,468	105,468
Finance lease payables	34,810	11,365	46,175
Bank borrowings	547,633	457,987	1,005,620
Sukuk	89,276	9,659	98,935
RCPS	-	50,000	50,000
Total borrowings	671,719	634,479	1,306,198

B8. Material litigation

There was no material litigation as at 20 February 2020, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

B9. Dividend declared

No dividend has been declared for the quarter under review.

B10. Earnings per share (“EPS”)

Basic EPS

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Current Year to Date 31.12.2019	Preceding Year to Date 31.12.2018
Net profit attributable to owners of the parent (RM'000)	70,672	85,560
Less : Dividend on RCPS (RM'000)	<u>(6,294)</u>	<u>(6,758)</u>
Net profit attributable to ordinary equity holders of the parent (RM'000)	<u>64,378</u>	<u>78,802</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,555,974</u>	<u>1,423,864</u>
Basic EPS (sen)	<u>4.14</u>	<u>5.53</u>

Diluted EPS

Diluted earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the adjusted weighted average number of ordinary shares issued and issuable during the financial year adjusted for the dilutive effects of all potential ordinary shares as follows:

	Current Year to Date 31.12.2019	Preceding Year to Date 31.12.2018
Net profit attributable to owners of the parent (RM'000)	70,672	85,560
Less : Dividend on RCPS (RM'000)	<u>(6,294)</u>	<u>(6,758)</u>
Net profit attributable to ordinary equity holders of the parent (RM'000)	<u>64,378</u>	<u>78,802</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,571,097</u>	<u>1,462,827</u>
Diluted EPS (sen)	<u>4.10</u>	<u>5.39</u>

B11. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Current Year Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2019 RM'000
(Reversal)/Allowance for impairment losses on:		
- Goodwill arising on consolidation	(2,178)	342
- Receivables	608	821
- Investment in associates	259	259
- Property, plant and equipment	15	15
(Reversal)/Allowance for expected credit losses on receivables	(924)	114
Amortisation of intangible asset	284	806
Bad debts written off	372	587
Capital work-in-progress written off	256	256
Deposits written (back)/off	(3)	125
Property development costs written off	12	12
Depreciation of:		
- Investment properties	595	2,410
- Property, plant and equipment	8,799	30,639
- Right-of-use assets	267	678
Fair value loss on financial assets measured at FVTPL	172	199
Loss on disposal of financial assets measured at FVTOCI	1,895	1,895
Property, plant and equipment written off	100	136
Provision for claims and staff economic compensation	147	599
Waiver of interest income	515	515
Contingency sum provided in prior years no longer required	(18,050)	(22,962)
Dividend income from financial assets measured at FVTPL	(55)	(479)
Fair value loss on revaluation of financial assets measured at FVTPL	(36)	(16)
(Gain)/Loss on disposal of:		
- Property, plant and equipment	(398)	(530)
- Investment properties	61	(288)
Net foreign exchange gain/(loss)	207	(253)
Reversal of allowance for impairment loss on receivables	(408)	(918)
Reversal of allowance for expected credit losses on receivables	(40)	(711)
Waiver of debts	-	(35)

By Order of the Board,

**Dato' Lim Mooi Pang
Executive Director**

Petaling Jaya, Selangor Darul Ehsan
27 February 2020