



LBS BINA GROUP BERHAD

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

Interim Financial Report

31 March 2022

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the financial period ended 31 March 2022

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period			
		Current Year Quarter 31.03.2022	Preceding Year Quarter 31.03.2021	Current Year To date 31.03.2022	Preceding Year To date 31.03.2021		
		RM'000	RM'000	RM'000	RM'000		
		Revenue		409,022	402,552	409,022	402,552
		Cost of sales		(296,362)	(284,701)	(296,362)	(284,701)
Gross profit		112,660	117,851	112,660	117,851		
Interest income		677	2,129	677	2,129		
Other income		6,459	1,871	6,459	1,871		
Administrative and operating expenses		(51,461)	(54,442)	(51,461)	(54,442)		
Finance costs		(14,085)	(14,418)	(14,085)	(14,418)		
Share of profit of associates, net of tax		13	109	13	109		
Profit before tax		54,263	53,100	54,263	53,100		
Taxation	B5	(20,465)	(20,184)	(20,465)	(20,184)		
Net profit for the financial period		33,798	32,916	33,798	32,916		
Net profit for the financial period attributable to:							
Owners of the parent		30,161	25,152	30,161	25,152		
Non-controlling interests		3,637	7,764	3,637	7,764		
		33,798	32,916	33,798	32,916		
Earnings per share attributable to owners of the parent (sen) :							
Basic	B10	1.45	1.33	1.45	1.33		
Diluted	B10	1.45	1.33	1.45	1.33		

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the financial period ended 31 March 2022 (*cont'd*)

	Unaudited Individual Quarter		Unaudited Cumulative Period	
	Current Year Quarter 31.03.2022 RM'000	Preceding Year Quarter 31.03.2021 RM'000	Current Year To date 31.03.2022 RM'000	Preceding Year To date 31.03.2021 RM'000
Net profit for the financial period	33,798	32,916	33,798	32,916
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	1,958	5,795	1,958	5,795
Total comprehensive income for the financial period	<u>35,756</u>	<u>38,711</u>	<u>35,756</u>	<u>38,711</u>
Total comprehensive income for the financial period attributable to:				
Owners of the parent	32,448	32,030	32,448	32,030
Non-controlling interests	3,308	6,681	3,308	6,681
	<u>35,756</u>	<u>38,711</u>	<u>35,756</u>	<u>38,711</u>

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 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	Unaudited 31.03.2022 RM'000	Audited 31.12.2021 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	A10	47,939	50,588
Right-of-use assets		368,932	372,537
Capital work-in-progress		23,817	20,820
Inventories - land held for property development		1,228,621	1,163,759
Investment properties		161,563	162,142
Investment in associates		2,530	2,558
Trade receivables		2,437	2,765
Other investments		568	568
Goodwill on consolidation		68,334	72,834
Deferred tax assets		52,719	58,570
		1,957,460	1,907,141
Current assets			
Inventories - property development costs		721,476	745,458
Inventories - completed properties and others		170,486	236,337
Contract assets		728,797	608,943
Trade and other receivables		531,078	602,582
Other investments		-	2,003
Tax recoverable		9,395	7,649
Deposits, cash and bank balances		246,999	282,753
		2,408,231	2,485,725
Assets held for sale		2,348	2,348
		2,410,579	2,488,073
TOTAL ASSETS		4,368,039	4,395,214
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		819,378	819,378
Redeemable Convertible Preference Shares ("RCPS")		103,509	103,509
Reserves		410,702	388,170
Treasury shares, at cost		(3,585)	(3,191)
Equity attributable to owners of the parent		1,330,004	1,307,866
Perpetual Sukuk Musharakah ("Perpetual Sukuk")		223,000	223,000
Non-controlling interests		170,226	176,550
TOTAL EQUITY		1,723,230	1,707,416

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022 (*cont'd*)

	Note	Unaudited 31.03.2022 RM'000	Audited 31.12.2021 RM'000
<u>LIABILITIES</u>			
Non-current liabilities			
Trade and other payables		515,671	508,987
Bank borrowings	B7	455,881	408,615
Deferred tax liabilities		39,273	39,515
		1,010,825	957,117
Current liabilities			
Contract liabilities		22,363	17,426
Trade and other payables		989,015	1,023,344
Bank borrowings	B7	608,882	672,741
Tax payable		13,724	17,170
		1,633,984	1,730,681
TOTAL LIABILITIES		2,644,809	2,687,798
TOTAL EQUITY AND LIABILITIES		4,368,039	4,395,214
Net assets per share attributable to owners of the parent (RM)		0.85	0.84

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 March 2022 (The figures have not been audited)

	← Attributable to owners of the parent →										
	← Non-distributable →							←-Distributable->			
	Share capital	RCPS	Treasury shares	ESOS reserve	Foreign exchange reserve	Other reserves	Retained earnings	Sub-total	Perpetual Sukuk	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2022	819,378	103,509	(3,191)	4,170	123,039	(329,513)	590,474	1,307,866	223,000	176,550	1,707,416
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	30,161	30,161	-	3,637	33,798
Foreign currency translation reserve	-	-	-	-	2,287	-	-	2,287	-	(329)	1,958
Total comprehensive income for the financial period	-	-	-	-	2,287	-	30,161	32,448	-	3,308	35,756
Transactions with owners:											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	150	150
Changes in equity interests in subsidiaries	-	-	-	-	-	(2,303)	-	(2,303)	-	(6,698)	(9,001)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,084)	(3,084)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(7,613)	(7,613)	-	-	(7,613)
Shares repurchased	-	-	(394)	-	-	-	-	(394)	-	-	(394)
Total transactions with owners	-	-	(394)	-	-	(2,303)	(7,613)	(10,310)	-	(9,632)	(19,942)
At 31.03.2022	819,378	103,509	(3,585)	4,170	125,326	(331,816)	613,022	1,330,004	223,000	170,226	1,723,230

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 March 2021 (cont'd) (The figures have not been audited)

	← Attributable to owners of the parent →								← Non-distributable →		←-Distributable->	
	Share capital	RCPS	Treasury shares	ESOS reserve	Foreign exchange reserve	Other reserves	Retained earnings	Sub-total	Perpetual Sukuk	Non-controlling interests	Total equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1.1.2021												
- as previously reported	819,378	103,509	(2,685)	4,422	112,963	(278,261)	617,769	1,377,095	130,000	119,462	1,626,557	
- effects on adoption of the Agenda Decision	-	-	-	-	-	-	(66,014)	(66,014)	-	(1,844)	(67,858)	
At 1.1.2021, as restated	819,378	103,509	(2,685)	4,422	112,963	(278,261)	551,755	1,311,081	130,000	117,618	1,558,699	
Amount recognised directly in equity:												
Net profit for the financial period	-	-	-	-	-	-	25,152	25,152	-	7,764	32,916	
Foreign currency translation reserve	-	-	-	-	6,878	-	-	6,878	-	(1,083)	5,795	
Total comprehensive income for the financial period	-	-	-	-	6,878	-	25,152	32,030	-	6,681	38,711	
Transactions with owners:												
Changes in equity interests in a subsidiary	-	-	-	-	-	2,107	-	2,107	-	17,418	19,525	
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(4,384)	(4,384)	-	-	(4,384)	
Total transactions with owners	-	-	-	-	-	2,107	(4,384)	(2,277)	-	17,418	15,141	
At 31.03.2021	819,378	103,509	(2,685)	4,422	119,841	(276,154)	572,523	1,340,834	130,000	141,717	1,612,551	

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 2021 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 31 March 2022

	Unaudited Current Period Ended 31.03.2022 RM'000	Unaudited Preceding Period Ended 31.03.2021 RM'000
Operating Activities		
Profit before tax	54,263	53,100
Adjustments for:		
Non-cash items	1,944	22,047
Other operating items	12,084	12,181
Operating profit before working capital changes	<u>68,291</u>	<u>87,328</u>
Changes in working capital:		
Inventories - land and property development costs	(40,879)	(16,978)
Inventories - completed properties and others	65,852	30,637
Contract assets	(119,853)	(74,177)
Contract liabilities	4,938	48,439
Receivables	78,769	(54,031)
Payables	(17,119)	13,134
Foreign currency reserve	117	(3,938)
	<u>(28,175)</u>	<u>(56,914)</u>
Cash generated from operations	40,116	30,414
Interest received	677	2,129
Interest paid	(13,739)	(10,213)
Tax paid	(21,266)	(13,628)
Tax refunded	755	72
	<u>(33,573)</u>	<u>(21,640)</u>
Net cash from operating activities	<u>6,543</u>	<u>8,774</u>
Investing Activities		
Additional investment in a subsidiary	(9,001)	-
Capital work-in-progress incurred	(2,913)	(9,294)
Deposits and consideration paid for the acquisition and joint venture of development lands	(4,417)	(14,500)
Net cash inflows from disposal of a subsidiary	748	-
Proceeds from disposal of:		
- An associate	45	-
- Financial assets measured at fair value through profit or loss ("FVTPL")	2,004	-
- Property, plant and equipment	76	215
- Right-of-use assets	159	175
- Quoted shares of a subsidiary	-	19,530
Proceeds from acquisition of equity interest by non-controlling interests	150	-
Purchase of:		
- Property, plant and equipment	(574)	(2,241)
- Right-of-use assets	(395)	(2,010)
Repayment of prior years' investment in subsidiaries	(700)	(6,638)
Net cash used in investing activities	<u>(14,818)</u>	<u>(14,763)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 31 March 2022 (cont'd)

	Unaudited Current Period Ended 31.03.2022 RM'000	Unaudited Preceding Period Ended 31.03.2021 RM'000
Financing Activities		
Increase in fixed deposits pledged	(395)	(210)
Decrease/(Increase) in cash and bank balances pledged	523	(20,450)
Drawdown of :		
- Bank borrowings	206,669	205,972
- Sukuk	5,000	-
Distribution to Perpetual Sukuk holders	(7,613)	(4,384)
Dividends paid to non-controlling interests	(3,084)	-
Shares repurchased	(394)	-
Repayment of :		
- Bank borrowings	(227,722)	(146,840)
- Sukuk	(5,863)	(1,113)
- Lease liabilities	(3,103)	(1,012)
Net cash (used in)/from financing activities	<u>(35,982)</u>	<u>31,963</u>
Net (decrease)/increase in cash and cash equivalents	(44,257)	25,974
Effects of exchange translation differences on cash and cash equivalents	265	1,110
Cash and cash equivalents at the beginning of the financial period	178,788	196,393
Cash and cash equivalents at the end of the financial period	<u>134,796</u>	<u>223,477</u>
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	22,868	20,831
Cash held under Housing Development Accounts	106,679	178,021
Cash and bank balances	117,452	137,622
Bank overdrafts	(84,204)	(72,341)
	<u>162,795</u>	<u>264,133</u>
Less : Fixed deposits pledged with licensed banks	(22,698)	(20,807)
Cash and bank balances pledged	(5,301)	(19,849)
	<u>134,796</u>	<u>223,477</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 2021 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

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 2021. 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 2021.

A2. Changes in accounting policies

Basis of accounting

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), 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.

Adoption of new and amended standards

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Annual Improvement to MFRSs Standards 2018-2020	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group.

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:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023

A2. Changes in accounting policies (cont'd)

Standards issued but not yet effective (cont'd)

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: (cont'd)

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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, if applicable, when they become effective.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group during the financial period 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 period under review.

A6. Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial period results.

A7. Debt and equity securities

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

Shares repurchased

The Company repurchased 792,400 of its ordinary shares in the open market for a total consideration of RM394,575 and retained as treasury shares of the Company.

A8. Dividend paid

There was no dividend paid during the quarter under review.

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A9. Segmental Reporting

Period ended 31 March 2022 (unaudited)

	Property Development	Construction and Trading	Management and Investment	Motor Racing Circuit	Hotel	Others	Total
<u>Revenue</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	393,479	174,010	19,245	3,689	1,718	6,834	598,975
Less: Inter-segment revenue	-	(165,767)	(19,126)	-	-	(5,060)	(189,953)
Revenue from external customers	393,479	8,243	119	3,689	1,718	1,774	409,022
Financial Results							
Segment results	60,422	15,848	412	217	(485)	1,476	77,890
Interest income	478	43	20	132	-	4	677
Finance costs	(7,660)	(1,137)	(4,214)	(317)	(447)	(310)	(14,085)
Depreciation	(1,251)	(3,807)	(1,448)	(2,281)	(573)	(872)	(10,232)
Share of profit/(loss) of associates, net of tax	-	16	-	-	-	(3)	13
Profit/(Loss) before tax	51,989	10,963	(5,230)	(2,249)	(1,505)	295	54,263
Taxation	(16,632)	(4,257)	(17)	436	-	5	(20,465)
Net profit/(loss) for the financial period	35,357	6,706	(5,247)	(1,813)	(1,505)	300	33,798
Assets							
Additions to non-current assets	70,827	951	387	721	89	69	73,044
Segment assets	3,357,159	221,972	349,312	216,878	78,355	144,363	4,368,039

Period ended 31 March 2021 (unaudited)

	Property Development	Construction and Trading	Management and Investment	Motor Racing Circuit	Hotel	Others	Total
<u>Revenue</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	390,362	160,437	14,899	3,142	17	1,450	570,307
Less: Inter-segment revenue	-	(152,919)	(14,797)	-	-	(39)	(167,755)
Revenue from external customers	390,362	7,518	102	3,142	17	1,411	402,552
Financial Results							
Segment results	61,568	17,802	(1,717)	(848)	(1,236)	(696)	74,873
Interest income	1,913	44	42	108	-	22	2,129
Finance costs	(7,474)	(1,294)	(4,957)	(301)	(383)	(9)	(14,418)
Depreciation	(1,401)	(3,634)	(1,300)	(2,120)	(372)	(523)	(9,350)
Amortisation of intangible assets	-	-	(243)	-	-	-	(243)
Share of profit/(loss) of associates, net of tax	-	115	-	-	-	(6)	109
Profit/(Loss) before tax	54,606	13,033	(8,175)	(3,161)	(1,991)	(1,212)	53,100
Taxation	(16,916)	(3,740)	50	413	-	9	(20,184)
Net profit/(loss) for the financial period	37,690	9,293	(8,125)	(2,748)	(1,991)	(1,203)	32,916
Assets							
Additions to non-current assets	45,171	3,161	1,709	252	8,506	86	58,885
Segment assets	3,321,051	212,223	370,272	208,722	80,052	127,878	4,320,198

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

There were no changes in the composition of the Group during the current quarter except for the followings:

- (i) On 3 January 2022, MGB Construction & Engineering Sdn.Bhd. (“MGBCE”), a wholly-owned subsidiary of MGB Berhad (“MGB”), a 58.65% owned subsidiary of the Company had entered into a Share Sale Agreement for the disposal of all the equity interest in Prisma Craft Sdn. Bhd. (“PCSB”) for a total cash consideration of RM750,000 only. Consequently, PCSB has ceased to be a wholly-owned subsidiary of MGBCE.
- (ii) On 17 January 2022, Megah Solaris Sdn. Bhd. (“MSSB”), a wholly-owned subsidiary of LBS Bina Holdings Sdn. Bhd. (“LBS Bina”), a wholly-owned subsidiary of the Company had increased its paid-up share capital from 8,987 to 25,987 ordinary shares. LBS Bina has subscribed for an additional 17,000 ordinary shares in MSSB for a total cash consideration of RM17,000 only.
- (iii) On 17 January 2022, Kalimah Jaya Sdn. Bhd. (“KJSB”), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 3 to 24,003 ordinary shares. LBS Bina has subscribed for an additional 24,000 ordinary shares in KJSB for a total cash consideration of RM24,000 only.
- (iv) On 24 January 2022, Restu Bidara Sdn. Bhd. (“RBSB”), a wholly-owned subsidiary of Pelangi Homes Sdn. Bhd. (“PHSB”), had increased its paid-up share capital from 100 to 674,100 ordinary shares. PHSB has subscribed for an additional 674,000 ordinary shares in RBSB for a total cash consideration of RM674,000 only.
- (v) On 27 January 2022, the Company has undertaken internal restructuring whereby LBS Bina, acquired 1,000 ordinary shares, representing the entire equity interest in Nuevoprima Development Sdn. Bhd., an indirect wholly-owned subsidiary of the Company from Leaptec Engineering Sdn. Bhd. (“LESB”), an indirect subsidiary of LBS Bina, for a total cash consideration of RM1,000 only.
- (vi) On 28 January 2022, the Company has undertaken internal restructuring whereby LBS Bina had disposed of 10 ordinary shares, representing the entire equity interest in Maju Kamabisa Sdn. Bhd. to LESB, for a total cash consideration of RM9,904 only.
- (vii) On 14 February 2022, LBS Bina acquired 600,000 ordinary shares representing 6% equity interest in Kemudi Ehsan Sdn. Bhd. (“KESB”) for a total cash consideration of RM9,000,000 only. Consequently, KESB became a 88% owned subsidiary of LBS Bina.
- (viii) On 18 February 2022, the Company has undertaken internal restructuring whereby the Company acquired 10,106,799 ordinary shares, representing the entire equity interest in Galeri Cekap Sdn. Bhd. (“GCSB”) from LBS Bina for a total cash consideration of RM97,348 only. Consequently, GCSB became a wholly-owned subsidiary of the Company.
- (ix) On 23 February 2022, MGBCE had entered into a Share Sale Agreement for the disposal of 45,000 ordinary shares, representing 30% equity interest in YLT Consultancy Sdn. Bhd. (“YLT”), for a total cash consideration of RM45,000 only. Consequently, YLT has ceased to be an associate of MGBCE.
- (x) On 8 March 2022, LESB had increased its paid-up share capital from 2,000,000 to 2,500,000 ordinary shares. GCSB has subscribed for an additional 350,000 ordinary shares in LESB for a total cash consideration of RM350,000 only. Consequently, LESB remained as 70% owned subsidiary of GCSB.

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A11. Changes in the composition of the Group(cont'd)

There were no changes in the composition of the Group during the current quarter except for the followings (cont'd):

- (xi) On 14 March 2022, MGB Land Sdn. Bhd. ("MGBLSB"), a wholly-owned subsidiary of MGB, had subscribed for 1 ordinary share in Idaman Rawang Sdn. Bhd. ("IRSB") for a total cash consideration of RM1 only. Consequently, IRSB became a wholly-owned subsidiary of MGBLSB.
- (xii) On 22 March 2022, Casa Inspirasi Sdn. Bhd. ("CISB"), a 69% owned subsidiary of LBS Bina, had subscribed for 100 ordinary shares in Seri Aliran Sdn. Bhd ("SESB") for a total cash consideration of RM100 only. Consequently, SESB became a wholly-owned subsidiary of CISB.

A12. Material events subsequent to the end of financial period

There were no material subsequent events as at 11 May 2022, 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 March 2022 were as follows:

	Amount RM'000
Approved and contracted for:	
a) Property development lands	339,457
b) Construction of right-of-use asset	32,878
c) Acquisition of property, plant and equipments	196
	<u>372,531</u>

A14. Changes in contingent assets or contingent liabilities

	31.03.2022 RM'000	31.03.2021 RM'000
Bank guarantees for:		
- Property development	44,615	66,401
- Construction contracts	72	3,633
- Others	17	42
	<u>44,704</u>	<u>70,076</u>

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

A15. Significant related party transactions

The significant related party transactions during the current financial period were summarised as below:

	Amount RM'000
Income	
Rental income	3
Sale of development properties	2,111
Expenses	
Contractors' fees	4,149
Equity instrument	9,000
Legal fee	14
Lease expenses	15
Profit sharing to landowner	392
Rendering of services	300

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

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

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

B1. Review of Group performance

The performance of the respective operating business segments is analysed as follows:

	Individual Quarter		Changes %
	Current Year Quarter 31.03.2022 RM'000	Preceding Year Quarter 31.03.2021 RM'000	
Revenue			
Property Development	393,479	390,362	1%
Construction and Trading	174,010	160,437	8%
Management and Investment	19,245	14,899	29%
Motor Racing Circuit	3,689	3,142	17%
Hotel	1,718	17	10006%
Others	6,834	1,450	371%
	<u>598,975</u>	<u>570,307</u>	5%
Less: Inter-segment revenue	<u>(189,953)</u>	<u>(167,755)</u>	13%
	<u>409,022</u>	<u>402,552</u>	2%
Profit/(Loss) before tax			
Property Development	51,989	54,606	-5%
Construction and Trading	10,963	13,033	-16%
Management and Investment	(5,230)	(8,175)	36%
Motor Racing Circuit	(2,249)	(3,161)	29%
Hotel	(1,505)	(1,991)	24%
Others	295	(1,212)	124%
	<u>54,263</u>	<u>53,100</u>	2%

For the current quarter ("Q1"), the Group recorded revenue of RM409 million and profit before tax ("PBT") of RM54 million as compared to revenue of RM403 million and PBT of RM53 million in the previous year corresponding quarter.

Property Development

Property Development segment achieved higher revenue but lower PBT. The decrease in PBT was mainly due to the decrease in interest income and increase in operating expenses.

Revenue and PBT were mainly derived from projects at Residensi Bintang Bukit Jalil, LBS Alam Perdana and KITA @ Cybersouth.

Development projects within the Klang Valley remain as the largest revenue contributor, accounting for more than 80% of the Group's revenue for the current financial period.

B1. Review of Group performance (cont'd)

Construction and Trading

Construction and Trading segment achieved revenue and PBT of RM174 million and RM11 million respectively as compared to revenue of RM160 million and PBT of RM13 million in the previous year corresponding quarter.

The increase in revenue was primarily contributed from in-house projects. Despite the increase in revenue, PBT was mainly affected by the rising cost of building materials.

Management and Investment

Management and Investment segment achieved revenue and loss before tax ("LBT") of RM19 million and RM5 million respectively as compared to revenue of RM15 million and LBT of RM8 million in the previous year corresponding quarter.

The improvement in LBT was mainly due to lesser foreign exchange loss arising from intercompany loan.

Motor Racing Circuit

Motor Racing Circuit segment recorded revenue of RM4 million and LBT of RM2 million as compared to revenue of RM3 million and LBT of RM3 million in the previous year corresponding quarter.

The revenue and LBT have improved mainly due to higher income from corporate day events and lower operating and maintenance costs.

Hotel

Hotel operation recorded revenue of RM2 million and LBT of RM1.5 million as compared to revenue of RM17,000 and LBT of RM2 million in the previous year corresponding quarter.

The improvement in revenue and LBT were mainly due to higher occupancy rate after the travel restrictions were lifted in October 2021 and supported by domestic tourism.

Others

Others segment mainly comprises letting and management of a retail mall, car park management, provision of finance through money lending and treasury management services.

Others segment recorded revenue of RM7 million and PBT of RM295,000 as compared to revenue of RM1 million and LBT of RM1 million in the previous year corresponding quarter.

The improvement in revenue and LBT were mainly arising from intra-group interest income from treasury management services and increased shopping volumes and car traffic in the retail mall.

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

	Current Quarter 31.03.2022 RM'000	Immediate Preceding Quarter 31.12.2021 RM'000	Changes (%)
Revenue	409,022	443,327	-8%
Profit before tax ("PBT")	54,263	64,525	-16%

For the current quarter, the Group recorded revenue of RM409 million and PBT of RM54 million as compared to revenue of RM443 million and PBT of RM65 million in the immediate preceding quarter.

The decrease in revenue and PBT were mainly due to the delivery of vacant possession of a project at KITA @ Cybersouth in December 2021.

B3. Group's prospects for the current financial year

The Group recorded a strong Q1 performance as sales and construction activities have picked up following the easing of lockdown restrictions.

The Malaysian government's plan to reopen its borders on 1 April 2022, and progressively opening all economic sectors, will provide a positive outlook for the property and tourism sectors, and drive the market to regain momentum.

Q1 performance was encouraging and to date, sales stand at RM593 million, with bookings of RM561 million in the pipeline and unbilled sales of RM2.4 billion. The affordable housing segment continue to be in demand and will benefit from the government's stamp duty waiver for Malaysian citizens buying their first residential property valued up to RM500,000 for sales and purchase agreements executed between 1 January 2021 to 31 December 2025.

The industry is currently facing supply chain disruption and rising building material costs, as well as labour shortages. While this will be a challenge for the short term, but Group's investment in IBS Precast system can help to mitigate some of these challenges as we continue to focus on affordable housing segment while monitoring both global and local developments.

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	Preceding year	Current year	Preceding year
	Quarter	Quarter	To date	To date
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Current tax provision	15,318	24,429	15,318	24,429
Deferred tax	5,147	(4,245)	5,147	(4,245)
Total tax expense	<u>20,465</u>	<u>20,184</u>	<u>20,465</u>	<u>20,184</u>

The effective tax rate of the Group for the current quarter and financial period 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 proposals that have been announced by the Company but has not been completed as at 11 May 2022, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report:

- (i) On 24 January 2020, the Consortium together with MGB's indirect wholly-owned subsidiary, 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 PN116631 Lot 120760 (previously held under HS(D) 43589 PT 54535) in Mukim Dengkil, Daerah Sepang, in the state of Selangor into affordable homes under Rumah Selangorku Idaman Scheme.

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

- (ii) On 24 January 2020, the Consortium together with MGB's indirect wholly-owned subsidiary, Idaman Aktif Sdn. Bhd. has entered into a Joint Venture Agreement with Abadi Man Nien Sdn. Bhd. for the proposed development on two (2) 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.

- (iii) On 31 March 2021, the Company's indirect subsidiary, Casa Inspirasi Sdn. Bhd. has entered into a Joint Venture Agreement with Majlis Daerah Cameron Highlands to develop a piece of land held under leasehold title of 99 years expiring on 29 May 2116, known as H.S.(D) 4908 PT 3288 in Mukim Tanah Rata, Daerah Cameron Highlands, Negeri Pahang, measuring approximately 51.52 acres.

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

B6. Status of corporate proposals (cont'd)

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 17 February 2022, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report: (cont'd)

- (iv) On 8 April 2021, the Company's indirect subsidiary, Leapte Engineering Sdn. Bhd. has entered into Reclamation and Development Agreement with State Government of Melaka for reclamation and development of the reclaimed land into an industry hub with port facilities measuring approximately 1,200 acres located at Tanjung Bruas, Bandar XLV, Daerah Melaka Tengah, Melaka.

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

- (v) On 21 March 2022, the Company entered into a Heads of Agreement ("HOA") with Ancom Berhad, Nylex (Malaysia) Berhad, Sinar Bina Infra Sdn. Bhd. ("SBI") and BTS Group Holdings Public Company Limited ("BTS") for the collaboration to build and operate a light rail transport system connected with the railway shuttle link currently being built from Singapore to Johor Bahru, with an integrated property development using the "Transit-Oriented Development" concept in Johor Bahru metropolitan region.

The HOA is subject to the completion of a feasibility study to be conducted by BTS and professional consultants, the grant of the LRT Project concessions by the state government of Johor to SBI and signing of definitive agreements.

B7. Borrowings and debt securities

The Group borrowings and debt securities were as follows:

Period ended 31.03.2022

	<u>Long-term</u> RM'000	<u>Short-term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	84,204	84,204
Lease liabilities	15,939	13,826	29,765
Bank borrowings	379,135	496,839	875,974
Sukuk	60,807	14,013	74,820
Total borrowings	<u>455,881</u>	<u>608,882</u>	<u>1,064,763</u>

B8. Material litigation

There was no material litigation as at 11 May 2022, 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 period attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial period as follows:

	Current Period to Date 31.03.2022	Preceding Period to Date 31.03.2021
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>22,548</u>	<u>20,768</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,560,308</u>	<u>1,561,660</u>
Basic EPS (sen)	<u>1.45</u>	<u>1.33</u>

Diluted EPS

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

	Current Period to Date 31.03.2022	Preceding Period to Date 31.03.2021	
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>22,548</u>	<u>20,768</u>	
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,560,402</u>	<u>1,561,660</u>	#
Diluted EPS (sen)	<u>1.45</u>	<u>1.33</u>	

The number of shares under ESOS and RCPS was not taken into account in the computation of diluted earnings per share as the ESOS and RCPS do not have any dilutive effect on the weighted average number of ordinary shares.

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

	Current Year Quarter 31.03.2022 RM'000	Current Year To Date 31.03.2022 RM'000
Allowance for impairment losses on:		
- Goodwill arising on consolidation	4,500	4,500
- Receivables	95	95
Bad debts written off	67	67
Depreciation of:		
- Investment properties	579	579
- Property, plant and equipment	3,300	3,300
- Right-of-use assets	6,353	6,353
Net foreign exchange loss	831	831
Property, plant and equipment written off	3	3
Waiver of interest income	273	273
Fair value gain on revaluation of financial assets	(28)	(28)
Net (gain)/loss on disposal of:		
- Financial assets measured at FVTPL	(1)	(1)
- Investment in an associate	41	41
- Investment in a subsidiary	(600)	(600)
- Property, plant and equipment	5	5
- Right-of-use assets	(84)	(84)
Reversal of allowance for impairment losses on:		
- Receivables	(2,196)	(2,196)
- Investment in an associate	(45)	(45)

By Order of the Board,

**Dato' Lim Mooi Pang
Executive Director**

Petaling Jaya, Selangor Darul Ehsan
18 May 2022