



**LBS BINA GROUP BERHAD**

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

**Interim Financial Report**

**30 June 2022**

# **LBS BINA GROUP BERHAD**

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

## **Interim Financial Report**

**30 June 2022**

	<b>Page No.</b>
<b>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>1 - 2</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>3 - 4</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>5 - 6</b>
<b>Condensed Consolidated Statement of Cash Flows</b>	<b>7 - 8</b>
<b>Notes to the Interim Financial Report</b>	<b>9 - 13</b>
<b>Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)</b>	<b>14 - 20</b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
For the financial period ended 30 June 2022

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period	
		Current Year Quarter 30.06.2022 RM'000	Preceding Year Quarter 30.06.2021 RM'000	Current Year To date 30.06.2022 RM'000	Preceding Year To date 30.06.2021 RM'000
Revenue		410,371	265,921	819,393	668,473
Cost of sales		(287,648)	(181,193)	(584,010)	(465,894)
Gross profit		122,723	84,728	235,383	202,579
Interest income		1,893	267	2,570	2,396
Other income		3,549	2,959	10,008	4,830
Administrative and operating expenses		(62,200)	(49,452)	(113,661)	(103,894)
Finance costs		(13,094)	(13,240)	(27,179)	(27,658)
Share of profit/(loss) of associates, net of tax		78	(29)	91	80
Profit before tax		52,949	25,233	107,212	78,333
Taxation	B5	(19,763)	(5,848)	(40,228)	(26,032)
Net profit for the financial period		33,186	19,385	66,984	52,301
<b>Net profit for the financial period attributable to:</b>					
Owners of the parent		35,127	16,280	65,288	41,432
Non-controlling interests		(1,941)	3,105	1,696	10,869
		33,186	19,385	66,984	52,301
<b>Earnings per share attributable to owners of the parent (sen) :</b>					
Basic	B10	2.25	1.04	3.70	2.37
Diluted	B10	2.25	1.04	3.70	2.37

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
For the financial period ended 30 June 2022 (*cont'd*)

	Unaudited		Unaudited	
	Individual Quarter		Cumulative Period	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To date	To date
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	33,186	19,385	66,984	52,301
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	6,907	1,497	8,866	7,291
Total comprehensive income for the financial period	<u>40,093</u>	<u>20,882</u>	<u>75,850</u>	<u>59,592</u>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the parent	43,544	17,936	75,993	49,965
Non-controlling interests	(3,451)	2,946	(143)	9,627
	<u>40,093</u>	<u>20,882</u>	<u>75,850</u>	<u>59,592</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 30 June 2022**

	Note	Unaudited 30.06.2022 RM'000	Audited 31.12.2021 RM'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	45,662	50,588
Right-of-use assets		363,498	372,537
Capital work-in-progress		22,300	20,820
Inventories - land held for property development		1,265,646	1,163,759
Investment properties		160,379	162,142
Investment in associates		2,417	2,558
Trade receivables		2,981	2,765
Other investments		568	568
Goodwill on consolidation		68,334	72,834
Deferred tax assets		55,791	58,570
		1,987,576	1,907,141
<b>Current assets</b>			
Inventories - property development costs		645,941	745,458
Inventories - completed properties and others		155,567	236,337
Contract assets		566,283	608,943
Trade and other receivables		647,482	602,582
Other investments		-	2,003
Tax recoverable		10,049	7,649
Deposits, cash and bank balances		353,868	282,753
		2,379,190	2,485,725
Assets held for sale		2,348	2,348
		2,381,538	2,488,073
<b>TOTAL ASSETS</b>		4,369,114	4,395,214
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital		819,378	819,378
Redeemable Convertible Preference Shares ("RCPS")		103,509	103,509
Reserves		454,247	388,170
Treasury shares, at cost		(3,791)	(3,191)
Equity attributable to owners of the parent		1,373,343	1,307,866
Perpetual Sukuk Musharakah ("Perpetual Sukuk")		223,000	223,000
Non-controlling interests		165,775	176,550
<b>TOTAL EQUITY</b>		1,762,118	1,707,416

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2022 (*cont'd*)

	Note	Unaudited 30.06.2022 RM'000	Audited 31.12.2021 RM'000
<b><u>LIABILITIES</u></b>			
<b>Non-current liabilities</b>			
Trade and other payables		549,129	508,987
Bank borrowings	B7	349,948	408,615
Deferred tax liabilities		39,532	39,515
		938,609	957,117
<b>Current liabilities</b>			
Contract liabilities		75,718	17,426
Trade and other payables		946,266	1,023,344
Bank borrowings	B7	624,641	672,741
Tax payable		21,762	17,170
		1,668,387	1,730,681
<b>TOTAL LIABILITIES</b>		2,606,996	2,687,798
<b>TOTAL EQUITY AND LIABILITIES</b>		4,369,114	4,395,214
<b>Net assets per share attributable to owners of the parent (RM)</b>		0.88	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.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the financial period ended 30 June 2022 (The figures have not been audited)**

	Attributable to owners of the parent							Sub-total	Perpetual Sukuk	Non- controlling interests	Total equity
	Share capital	RCPS	Treasury shares	ESOS reserve	Foreign exchange reserve	Other reserves	Retained earnings				
	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	-	-	-	-	-	-	65,288	65,288	-	1,696	66,984
Foreign currency translation reserve	-	-	-	-	10,705	-	-	10,705	-	(1,839)	8,866
Total comprehensive income for the financial period	-	-	-	-	10,705	-	65,288	75,993	-	(143)	75,850
<b>Transactions with owners:</b>											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	150	150
Changes in equity interests in a subsidiary	-	-	-	-	-	(2,303)	-	(2,303)	-	(6,697)	(9,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,085)	(4,085)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(7,613)	(7,613)	-	-	(7,613)
Realisation of ESOS reserve	-	-	-	(53)	-	-	53	-	-	-	-
Shares repurchased	-	-	(600)	-	-	-	-	(600)	-	-	(600)
Total transactions with owners	-	-	(600)	(53)	-	(2,303)	(7,560)	(10,516)	-	(10,632)	(21,148)
At 30.06.2022	819,378	103,509	(3,791)	4,117	133,744	(331,816)	648,202	1,373,343	223,000	165,775	1,762,118

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the financial period ended 30 June 2021 (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	Other reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Perpetual Sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1.1.2021											
- as previously reported	819,378	103,509	(2,685)	4,422	112,962	(278,261)	617,769	1,377,094	130,000	119,462	1,626,556
- effects on adoption of the Agenda Decision	-	-	-	-	-	222	(66,970)	(66,748)	-	(1,907)	(68,655)
At 1.1.2021, as restated	819,378	103,509	(2,685)	4,422	112,962	(278,039)	550,799	1,310,346	130,000	117,555	1,557,901
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	41,432	41,432	-	10,869	52,301
Foreign currency translation reserve	-	-	-	-	8,533	-	-	8,533	-	(1,242)	7,291
Total comprehensive income for the financial period	-	-	-	-	8,533	-	41,432	49,965	-	9,627	59,592
<b>Transactions with owners:</b>											
Changes in equity interests in a subsidiary	-	-	-	-	-	2,118	-	2,118	-	17,412	19,530
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(4,384)	(4,384)	-	-	(4,384)
Total transactions with owners	-	-	-	-	-	2,118	(4,384)	(2,266)	-	17,412	15,146
At 30.06.2021	819,378	103,509	(2,685)	4,422	121,495	(275,921)	587,847	1,358,045	130,000	144,594	1,632,639

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 30 June 2022**

	<b>Unaudited Current Period Ended 30.06.2022 RM'000</b>	<b>Unaudited Preceding Period Ended 30.06.2021 RM'000</b>
<b>Operating Activities</b>		
Profit before tax	107,212	78,333
Adjustments for:		
Non-cash items	4,150	35,931
Other operating items	21,607	25,184
Operating profit before working capital changes	<u>132,969</u>	<u>139,448</u>
Changes in working capital:		
Inventories - land and property development costs	(1,550)	(7,199)
Inventories - completed properties and others	80,770	(4,318)
Contract assets	42,660	(81,102)
Contract liabilities	58,292	(613)
Receivables	(17,481)	(17,893)
Payables	(10,764)	29,607
	<u>151,927</u>	<u>(81,518)</u>
Cash generated from operations	<u>284,896</u>	<u>57,930</u>
Dividends received	180	-
Interest received	2,570	2,395
Interest paid	(20,614)	(26,748)
Tax paid	(36,187)	(20,987)
Tax refunded	755	95
	<u>(53,296)</u>	<u>(45,245)</u>
Net cash from operating activities	<u>231,600</u>	<u>12,685</u>
<b>Investing Activities</b>		
Additional investment in a subsidiary	(9,000)	-
Capital work-in-progress incurred	(2,898)	(12,816)
Deposits and consideration paid for the acquisition and joint venture of development lands	(28,127)	(63,380)
Net cash inflows from disposal of a subsidiary	748	-
Proceeds from disposal of:		
- An associate	45	-
- Assets held for sale	-	740
- Financial assets measured at fair value through profit or loss ("FVTPL")	2,004	-
- Property, plant and equipment	108	215
- Right-of-use assets	368	470
- Quoted shares of a subsidiary	-	19,530
Proceeds from acquisition of equity interest by non-controlling interests	150	-
Purchase of:		
- Property, plant and equipment	(1,990)	(4,917)
- Right-of-use assets	(2,312)	(3,937)
Repayment of prior years' investment in subsidiaries	(1,000)	(6,638)
Net cash used in investing activities	<u>(41,904)</u>	<u>(70,733)</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 30 June 2022 (cont'd)**

	<b>Unaudited Current Period Ended 30.06.2022 RM'000</b>	<b>Unaudited Preceding Period Ended 30.06.2021 RM'000</b>
<b>Financing Activities</b>		
Increase in fixed deposits pledged	(1,350)	(302)
Decrease/(Increase) in cash and bank balances pledged	155	(20,938)
Drawdown of:		
- Bank borrowings	319,317	366,249
- Sukuk	5,000	-
Distribution to Perpetual Sukuk holders	(7,613)	(4,384)
Dividends paid to non-controlling interests	(4,085)	-
Shares repurchased	(600)	-
Repayment of:		
- Bank borrowings	(402,194)	(312,107)
- Sukuk	(6,976)	(2,205)
- Lease liabilities	(5,002)	(2,267)
Net cash (used in)/from financing activities	<u>(103,348)</u>	<u>24,046</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>86,348</b>	<b>(34,002)</b>
<b>Effects of exchange translation differences on cash and cash equivalents</b>	<b>524</b>	<b>1,213</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>178,788</b>	<b>196,393</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b><u>265,660</u></b>	<b><u>163,604</u></b>
<b>Cash and cash equivalents at end of the financial period comprises:</b>		
Fixed deposits with licensed banks	23,823	20,899
Cash held under Housing Development Accounts	222,405	117,275
Cash and bank balances	107,640	144,860
Bank overdrafts	(58,888)	(72,296)
	<u>294,980</u>	<u>210,738</u>
Less : Fixed deposits pledged with licensed banks	(23,652)	(20,899)
Cash and bank balances pledged	(5,668)	(26,235)
	<u>265,660</u>	<u>163,604</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 that have a material effect on the amounts reported for the current financial period.

**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 1,242,200 of its ordinary shares in the open market for a total consideration of RM600,305 and retained as treasury shares of the Company.

**A8. Dividend paid**

There was no dividend paid during the current quarter.

**A9. Segmental Reporting**

**Period ended 30 June 2022 (unaudited)**

The segmental results for the current financial period are as follows:

	Property Development	Construction and Trading	Management and Investment	Motor Racing Circuit	Hotel	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
Total revenue	785,472	304,171	32,869	6,651	4,382	15,828	1,149,373
Less: Inter-segment revenue	-	(285,219)	(32,636)	-	-	(12,125)	(329,980)
Revenue from external customers	785,472	18,952	233	6,651	4,382	3,703	819,393
<b>Financial Results</b>							
Segment results	135,530	23,453	(5,871)	(2,084)	67	967	152,062
Interest income	2,087	87	89	295	-	12	2,570
Finance costs	(14,131)	(2,244)	(9,272)	(637)	(893)	(2)	(27,179)
Depreciation	(3,257)	(7,547)	(2,851)	(4,542)	(1,127)	(1,008)	(20,332)
Share of profit/(loss) of associates, net of tax	-	97	-	-	-	(6)	91
Profit/(Loss) before tax	120,229	13,846	(17,905)	(6,968)	(1,953)	(37)	107,212
Taxation	(33,587)	(6,630)	(895)	871	-	13	(40,228)
Net profit/(loss) for the financial period	86,642	7,216	(18,800)	(6,097)	(1,953)	(24)	66,984
<b>Assets</b>							
Additions to non-current assets	99,225	801	2,533	760	140	286	103,745
Segment assets	3,375,865	208,729	350,810	211,913	77,887	143,910	4,369,114

**Period ended 30 June 2021 (unaudited)**

The segmental results for the preceding year financial period are as follows:

	Property Development	Construction and Trading	Management and Investment	Motor Racing Circuit	Hotel	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
Total revenue	638,613	285,234	332,275	6,405	54	2,971	1,265,552
Less: Inter-segment revenue	-	(264,912)	(332,088)	-	-	(79)	(597,079)
Revenue from external customers	638,613	20,322	187	6,405	54	2,892	668,473
<b>Financial Results</b>							
Segment results	98,903	30,030	(1,085)	(1,523)	(2,856)	(403)	123,066
Interest income	1,975	81	96	227	-	17	2,396
Finance costs	(14,543)	(2,499)	(9,776)	(2)	(820)	(18)	(27,658)
Depreciation	(3,142)	(7,384)	(2,682)	(4,321)	(669)	(1,049)	(19,247)
Amortisation of intangible assets	-	-	(304)	-	-	-	(304)
Share of profit/(loss) of associates, net of tax	-	91	-	-	-	(11)	80
Profit/(Loss) before tax	83,193	20,319	(13,751)	(5,619)	(4,345)	(1,464)	78,333
Taxation	(19,648)	(6,595)	(625)	836	-	-	(26,032)
Net profit/(loss) for the financial period	63,545	13,724	(14,376)	(4,783)	(4,345)	(1,464)	52,301
<b>Assets</b>							
Additions to non-current assets	74,363	2,824	2,018	318	9,304	86	88,913
Segment assets	3,292,097	219,294	370,594	209,965	80,408	147,728	4,320,086

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

### **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.

### **A12. Material events subsequent to the end of financial period**

- (i) On 15 July 2022, LBS Bina Holdings Sdn. Bhd. ("LBS Bina") acquired 367,500 ordinary shares, representing 49% equity interest in Prisma Craft Sdn. Bhd. ("PCSB") for a total cash consideration of RM54,000 only. Consequently, PCSB became a 49% owned associate of LBS Bina.
- (ii) On 25 July 2022, MGB Land Sdn. Bhd. ("MGBLSB"), a wholly-owned subsidiary of MGB Berhad ("MGB"), an indirect 58.65% subsidiary of the Company, acquired 1,000,000 ordinary shares, representing 100% equity interest in Retro Court Sdn. Bhd. ("RCSB") for a total cash consideration of RM973,000 only. Consequently, RCSB became a wholly-owned subsidiary of MGBLSB.
- (iii) On 26 July 2022, Maju Kamabisa Sdn. Bhd. ("MKSB"), a wholly-owned subsidiary of Leaptec Engineering Sdn. Bhd. ("LESB"), an indirect wholly-owned subsidiary of the Company, had increased its paid-up share capital from 10 to 7,010 ordinary shares. LESB has subscribed for an additional 7,000 ordinary shares in MKSB for a total cash consideration of RM7,000 only.
- (iv) On 26 July 2022, Nuevoprime Development Sdn. Bhd. ("NDSB"), a wholly-owned subsidiary of LBS Bina, a wholly-owned subsidiary of the Company, had increased its paid-up share capital from 1,000 to 9,000 ordinary shares. LBS Bina has subscribed for an additional 8,000 ordinary shares in NDSB for a total cash consideration of RM8,000 only.

There were no other material subsequent events as at 15 August 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 30 June 2022 were as follows:

	<b>Amount RM'000</b>
Approved and contracted for:	
a) Property development lands	341,557
b) Construction of right-of-use asset	32,866
c) Acquisition of property, plant and equipment	196
	<u>374,619</u>

**A14. Contingent assets or contingent liabilities**

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank guarantees for:		
- Property development	42,552	64,814
- Construction contracts	72	3,633
- Others	55	42
	<u>42,679</u>	<u>68,489</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:

	<b>Amount</b>
	<b>RM'000</b>
<b>Income</b>	
Dividend income	106
Rental income	6
Sale of development properties	2,111
<b>Expenses</b>	
Contractors' fees	8,994
Equity instrument	9,000
Legal fee	14
Lease expenses	25
Profit sharing to landowner	817
Rendering of services	1,389

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

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

**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			Cumulative Period		
	Current Year	Preceding	Changes	Current Year	Preceding Year	Changes
	Quarter	Year Quarter		To date	To date	
30.06.2022	30.06.2021	%	30.06.2022	30.06.2021	%	
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Property Development	391,993	248,251	58%	785,472	638,613	23%
Construction and Trading	130,161	124,797	4%	304,171	285,234	7%
Management and Investment	13,624	317,376	-96%	32,869	332,275	-90%
Motor Racing Circuit	2,962	3,263	-9%	6,651	6,405	4%
Hotel	2,664	37	7100%	4,382	54	8015%
Others	8,994	1,521	491%	15,828	2,971	433%
	<u>550,398</u>	<u>695,245</u>	-21%	<u>1,149,373</u>	<u>1,265,552</u>	-9%
Less: Inter-segment revenue	<u>(140,027)</u>	<u>(429,324)</u>	-67%	<u>(329,980)</u>	<u>(597,079)</u>	-45%
	<u>410,371</u>	<u>265,921</u>	54%	<u>819,393</u>	<u>668,473</u>	23%
<b>Profit/(Loss) before tax</b>						
Property Development	68,240	28,587	139%	120,229	83,193	45%
Construction and Trading	2,883	7,286	-60%	13,846	20,319	-32%
Management and Investment	(12,675)	(5,576)	-127%	(17,905)	(13,751)	-30%
Motor Racing Circuit	(4,719)	(2,458)	-92%	(6,968)	(5,619)	-24%
Hotel	(448)	(2,354)	81%	(1,953)	(4,345)	55%
Others	(332)	(252)	-32%	(37)	(1,464)	97%
	<u>52,949</u>	<u>25,233</u>	110%	<u>107,212</u>	<u>78,333</u>	37%

For the current quarter ("2Q2022"), the Group recorded revenue of RM410 million and profit before tax ("PBT") of RM53 million as compared to revenue of RM266 million and PBT of RM25 million in the corresponding quarter last year. PBT surged more than onefold with Property Development segment being the main contributor to the higher PBT.

For the six months ended 30 June 2022 ("PTD2022"), the Group achieved revenue of RM819 million and PBT of RM107 million as compared to revenue of RM668 million and PBT of RM78 million in the corresponding period last year.

The analysis of the performance of the respective operating business segment for the PTD2022 is as follows:

**Property Development**

For the PTD2022, Property Development segment achieved higher revenue and PBT. The surge in both revenue and PBT were largely attributable to continuous strong demand for our on-going development projects at Bukit Jalil, LBS Alam Perdana, KITA @ Cybersouth and Alam Awana Industrial Park.

Development projects within the Klang Valley still remain as the largest revenue contributor, accounting for 84% of the Group's revenue for the current financial period.



**B1. Review of Group performance (cont'd)**

**Construction and Trading**

For the PTD2022, Construction and Trading segment achieved revenue and PBT of RM304 million and RM14 million respectively as compared to revenue of RM285 million and PBT of RM20 million in the corresponding period last year.

The revenue and PBT were primarily contributed from in-house projects. Despite the increase in revenue, PBT was lower mainly due to rising building material costs, labour shortages and higher administrative and operating expenses.

**Management and Investment**

For the PTD2022, Management and Investment segment achieved revenue and loss before tax ("LBT") of RM33 million and RM18 million respectively as compared to revenue of RM332 million and LBT of RM14 million in the corresponding period last year.

The decrease in revenue was mainly due to lesser intra-group dividend income.

The increase in LBT was mainly arising from foreign exchange loss and lesser interest income.

**Motor Racing Circuit**

For the PTD2022, Motor Racing Circuit segment recorded revenue of RM6.7 million and LBT of RM7 million as compared to revenue of RM6.4 million and LBT of RM5.6 million in the corresponding period last year.

**Hotel**

For the PTD2022, Hotel operation recorded revenue of RM4 million and LBT of RM2 million as compared to revenue of RM54,000 and LBT of RM4 million in the corresponding period last year.

The improvement in both revenue and LBT were primarily due to higher occupancy rates after the relaxation of travel restrictions in October 2021.

**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.

For the PTD2022, others segment recorded revenue of RM16 million and LBT of RM39,000 as compared to revenue of RM3 million and LBT of RM1 million in the corresponding period last year.

The improvement in both revenue and LBT were mainly arising from higher intra-group interest income from treasury management services and improvement in mall traffic.

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

	<b>Current Quarter 30.06.2022 RM'000</b>	<b>Immediate Preceding Quarter 31.03.2022 RM'000</b>	<b>Changes (%)</b>
Revenue	410,371	409,022	0%
Profit before tax ("PBT")	52,949	54,263	-2%

For the 2Q2022, the Group recorded revenue of RM410 million and PBT of RM53 million as compared to revenue of RM409 million and PBT of RM54 million in the immediate preceding quarter.

**B3. Group's prospects for the current financial year**

The Group has delivered another remarkable results for 2Q(2022) despite market challenges due to supply chain disruptions, soaring building material costs, labour shortages, interest rate hikes and rising inflationary pressure.

As at 21 August 2022, the Group has recorded property sales of RM1.31 billion with bookings in the pipeline of RM313 million. This outstanding performance is attributed to the success of projects within the LBS Alam Perdana Township which contributed to 29% (at RM383 million), followed by projects within LBS Kita @ Cybersouth Township at 20% (at RM259 million). The third major contributor comes from our affordable housing project, Idaman BSP, at 17% (at RM218 million). With the reintroduction of the stamp duty exemption under Keluarga Malaysia Home Ownership Initiative (i-MILIKI), we believe this will further motivate first-time homebuyers. LBS, being a leading affordable-housing developer, is looking forward to fulfill their housing needs.

With the grand return of the LBS Fabulous Extra lucky draw campaign 2022-2023, there is RM1.5 million worth of lucky draw prizes of extra cars, motorcycles, home appliances, entertainment systems and so much more, to be given away to lucky purchasers. This, along with our other marketing strategies and platforms in place, the Group is on track to meet the Financial Year 22 ("FY2022") sales target of RM1.6 billion, underpinned by 14 new project launches worth RM1.77 billion in the Klang Valley, Johor, Pahang and Perak, mainly from the affordable home segment.

The Group's financial performance for FY2022 will be undergirded by unbilled sales which remain strong at RM2.4 billion and gives the Group revenue visibility. In light of the global geopolitical headwinds, we continue to be vigilant, to enhance and streamline our systems and processes while actively pursue marketing initiatives that aim to bring greater value to our homebuyers.

**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 30.06.2022 RM'000	Preceding year Quarter 30.06.2021 RM'000	Current year To date 30.06.2022 RM'000	Preceding year To date 30.06.2021 RM'000
Current tax provision	22,305	10,739	37,623	35,168
Deferred tax	(2,542)	(4,891)	2,605	(9,136)
Total tax expense	<u>19,763</u>	<u>5,848</u>	<u>40,228</u>	<u>26,032</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 15 August 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, MGB's indirect wholly-owned subsidiary, Idaman Living Sdn. Bhd. together with PNSB Construction Sdn. Bhd. ("PCSB") (collectively referred to as the "Consortium"), has entered into a Development Rights Agreement ("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 15 August 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, Leaptec Engineering Sdn. Bhd. has entered into a 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 ("LRT") 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.

- (vi) On 22 July 2022, the Company's indirect subsidiary, Casa Inspirasi Sdn. Bhd. has entered into a Sale and Purchase Agreement with Perbadanan Setiausaha Kerajaan Pahang to purchase two (2) pieces of leasehold lands held under H.S.(D) 19366 PT 24508 measuring approximately 61.65 acres and H.S.(D) 19365 PT24507 measuring approximately 248.30 acres in Mukim Bentong, District of Bentong, Negeri Pahang.

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:

**Period ended 30.06.2022**

	<b><u>Long-term</u></b> <b>RM'000</b>	<b><u>Short-term</u></b> <b>RM'000</b>	<b><u>Total borrowings</u></b> <b>RM'000</b>
<u>Secured</u>			
Bank overdrafts	-	58,888	58,888
Lease liabilities	13,829	14,075	27,904
Bank borrowings	276,425	537,726	814,151
Sukuk	59,694	13,952	73,646
Total borrowings	<u>349,948</u>	<u>624,641</u>	<u>974,589</u>

**B8. Material litigation**

There was no material litigation as at 15 August 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**

In respect of the previous financial year ended 31 December 2021:

On 15 April 2022, the Company has declared an interim dividend of 0.85 sen per ordinary share, which has been paid on 14 July 2022 to depositors registered in the Record of Depositors on 30 June 2022.

At the Annual General Meeting held on 16 June 2022, the shareholders of the Company approved a final single-tier dividend of 1.00 sen per ordinary share, which will be paid on 15 September 2022 to depositors registered in the Record of Depositors on 30 August 2022.

**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:

	<b>Current Period to Date 30.06.2022</b>	<b>Preceding Period to Date 30.06.2021</b>
Adjusted net profit attributable to ordinary equity holders (RM'000)	57,675	37,048
Weighted average number of ordinary shares in issue ('000)	1,559,988	1,561,660
Basic EPS (sen)	3.70	2.37

**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:

	<b>Current Period to Date 30.06.2022</b>	<b>Preceding Period to Date 30.06.2021</b>
Adjusted net profit attributable to ordinary equity holders (RM'000)	57,675	37,048
Adjusted weighted average number of ordinary shares in issue ('000)	1,560,086	1,561,660 #
Diluted EPS (sen)	3.70	2.37

# 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**

	<b>Current Year Quarter 30.06.2022 RM'000</b>	<b>Current Year To Date 30.06.2022 RM'000</b>
Allowance for impairment losses on:		
- Goodwill arising on consolidation	-	4,500
- Investment properties	604	604
- Receivables	1,288	1,383
Bad debts written off	8	75
Capital work-in-progress written off	1,633	1,633
Depreciation of:		
- Investment properties	581	1,160
- Property, plant and equipment	3,386	6,686
- Right-of-use assets	6,133	12,486
Fair value loss on revaluation of financial assets	90	62
Inventories written off	1	1
Net foreign exchange loss	6,872	7,833
Property, plant and equipment written off	285	288
Waiver of interest income	1,649	1,922
Net (gain)/loss on disposal of:		
- Financial assets measured at FVTPL	-	(1)
- Investment in an associate	-	41
- Investment in a subsidiary	-	(600)
- Property, plant and equipment	61	66
- Right-of-use assets	(209)	(293)
Reversal of allowance for impairment (losses)/gain on:		
- Receivables	(1,472)	(3,668)
- Investment in an associate	11	(34)

**By Order of the Board,**

**Dato' Lim Mooi Pang  
Executive Director**

Petaling Jaya, Selangor Darul Ehsan  
22 August 2022