



LBS BINA GROUP BERHAD

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

Interim Financial Report

30 September 2022

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

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period	
		Current Year Quarter 30.09.2022 RM'000	Preceding Year Quarter 30.09.2021 RM'000	Current Year To date 30.09.2022 RM'000	Preceding Year To date 30.09.2021 RM'000
Revenue		528,889	253,958	1,348,282	922,431
Cost of sales		(377,111)	(163,827)	(961,121)	(629,721)
Gross profit		151,778	90,131	387,161	292,710
Interest income		1,090	58	3,660	2,454
Other income		3,345	1,793	13,353	6,623
Administrative and operating expenses		(78,427)	(43,153)	(192,088)	(147,047)
Finance costs		(14,595)	(14,856)	(41,774)	(42,514)
Share of profit/(loss) of associates, net of tax		7	(23)	98	57
Profit before tax		63,198	33,950	170,410	112,283
Taxation	B5	(24,034)	(13,938)	(64,262)	(39,970)
Net profit for the financial period		39,164	20,012	106,148	72,313
Net profit for the financial period attributable to:					
Owners of the parent		35,350	18,135	100,638	59,567
Non-controlling interests		3,814	1,877	5,510	12,746
		39,164	20,012	106,148	72,313
Earnings per share attributable to owners of the parent (sen) :					
Basic	B10	1.78	0.88	5.48	3.25
Diluted	B10	1.78	0.88	5.48	3.25

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

	Unaudited		Unaudited	
	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2022 RM'000	Preceding Year Quarter 30.09.2021 RM'000	Current Year To date 30.09.2022 RM'000	Preceding Year To date 30.09.2021 RM'000
Net profit for the financial period	39,164	20,012	106,148	72,313
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	8,045	1,123	16,911	8,415
Total comprehensive income for the financial period	<u>47,209</u>	<u>21,135</u>	<u>123,059</u>	<u>80,728</u>
Total comprehensive income for the financial period attributable to:				
Owners of the parent	45,100	19,484	121,093	69,450
Non-controlling interests	2,109	1,651	1,966	11,278
	<u>47,209</u>	<u>21,135</u>	<u>123,059</u>	<u>80,728</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 September 2022

	Note	Unaudited 30.09.2022 RM'000	Audited 31.12.2021 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	A10	46,726	50,588
Right-of-use assets		358,305	372,537
Capital work-in-progress		25,416	20,820
Inventories - land held for property development		1,214,381	1,163,759
Investment properties		159,799	162,142
Investment in associates		2,478	2,558
Trade receivables		3,035	2,765
Other investments		568	568
Goodwill on consolidation		66,184	72,834
Deferred tax assets		73,162	58,570
		1,950,054	1,907,141
Current assets			
Inventories - property development costs		536,886	745,458
Inventories - completed properties and others		176,671	236,337
Contract assets		669,855	608,943
Trade and other receivables		512,962	602,582
Other investments		-	2,003
Tax recoverable		10,217	7,649
Deposits, cash and bank balances		403,551	282,753
		2,310,142	2,485,725
Assets held for sale		2,348	2,348
		2,312,490	2,488,073
TOTAL ASSETS		4,262,544	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		462,918	388,170
Treasury shares, at cost		(4,390)	(3,191)
Equity attributable to owners of the parent		1,381,415	1,307,866
Perpetual Sukuk Musharakah ("Perpetual Sukuk")		223,000	223,000
Non-controlling interests		164,327	176,550
TOTAL EQUITY		1,768,742	1,707,416

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

	Note	Unaudited 30.09.2022 RM'000	Audited 31.12.2021 RM'000
<u>LIABILITIES</u>			
Non-current liabilities			
Trade and other payables		519,956	508,987
Bank borrowings	B7	341,150	408,615
Deferred tax liabilities		39,134	39,515
		900,240	957,117
Current liabilities			
Contract liabilities		8,884	17,426
Trade and other payables		945,139	1,023,344
Bank borrowings	B7	607,611	672,741
Tax payable		31,928	17,170
		1,593,562	1,730,681
TOTAL LIABILITIES		2,493,802	2,687,798
TOTAL EQUITY AND LIABILITIES		4,262,544	4,395,214
Net assets per share attributable to owners of the parent (RM)		0.89	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 September 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	-	-	-	-	-	-	100,638	100,638	-	5,510	106,148
Foreign currency translation reserve	-	-	-	-	20,455	-	-	20,455	-	(3,544)	16,911
Total comprehensive income for the financial period	-	-	-	-	20,455	-	100,638	121,093	-	1,966	123,059
Transactions with owners:											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	150	150
Changes in equity interests in a subsidiary	-	-	-	-	-	(2,303)	-	(2,303)	-	(6,697)	(9,000)
Dividend paid	-	-	-	-	-	-	(28,849)	(28,849)	-	-	(28,849)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(7,642)	(7,642)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(15,193)	(15,193)	-	-	(15,193)
Realisation of Employees' Share Option Scheme ("ESOS") reserve	-	-	-	(4,170)	-	-	4,170	-	-	-	-
Shares repurchased	-	-	(1,199)	-	-	-	-	(1,199)	-	-	(1,199)
Total transactions with owners	-	-	(1,199)	(4,170)	-	(2,303)	(39,872)	(47,544)	-	(14,189)	(61,733)
At 30.09.2022	819,378	103,509	(4,390)	-	143,494	(331,816)	651,240	1,381,415	223,000	164,327	1,768,742

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 September 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	-	-	-	-	-	-	59,567	59,567	-	12,746	72,313
Foreign currency translation reserve	-	-	-	-	9,883	-	-	9,883	-	(1,468)	8,415
Total comprehensive income for the financial period	-	-	-	-	9,883	-	59,567	69,450	-	11,278	80,728
Transactions with owners:											
Changes in equity interests in a subsidiary	-	-	-	-	-	2,123	-	2,123	-	17,540	19,663
Dividend paid	-	-	-	-	-	-	(22,644)	(22,644)	-	-	(22,644)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(8,840)	(8,840)	-	-	(8,840)
Issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	93,000	-	93,000
Realisation of ESOS reserve	-	-	-	(201)	-	-	201	-	-	-	-
Shares repurchased	-	-	(9)	-	-	-	-	(9)	-	-	(9)
Total transactions with owners	-	-	(9)	(201)	-	2,123	(31,283)	(29,370)	93,000	17,540	81,170
At 30.09.2021	819,378	103,509	(2,694)	4,221	122,845	(275,916)	579,083	1,350,426	223,000	146,373	1,719,799

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 September 2022

	Unaudited Current Period Ended 30.09.2022 RM'000	Unaudited Preceding Period Ended 30.09.2021 RM'000
Operating Activities		
Profit before tax	170,410	112,283
Adjustments for:		
Non-cash items	24,229	43,842
Other operating items	33,650	40,005
Operating profit before working capital changes	<u>228,289</u>	<u>196,130</u>
Changes in working capital:		
Inventories - land and property development costs	139,867	(9,587)
Inventories - completed properties and others	59,663	1,020
Contract assets	(60,912)	(78,342)
Contract liabilities	(8,542)	11,538
Receivables	133,788	(86,962)
Payables	(28,263)	63,237
	<u>235,601</u>	<u>(99,096)</u>
Cash generated from operations	463,890	97,034
Dividends received	180	-
Interest received	3,660	2,453
Interest paid	(37,435)	(36,024)
Tax paid	(67,870)	(22,914)
Tax refunded	856	192
	<u>(100,609)</u>	<u>(56,293)</u>
Net cash from operating activities	<u>363,281</u>	<u>40,741</u>
Investing Activities		
Additional investment in:		
- An associate	(54)	-
- A subsidiary	(9,000)	-
Capital work-in-progress incurred	(4,113)	(16,551)
Deposits and consideration paid for the acquisition and joint venture of development lands	(36,619)	(66,477)
Net cash inflows from disposal of a subsidiary	748	-
Net cash outflows from acquisition of a subsidiary	(941)	-
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	347	251
- 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	(3,339)	(7,572)
- Right-of-use assets	(4,897)	(5,800)
Repayment of prior years' investment in subsidiaries	(1,973)	(6,641)
Net cash used in investing activities	<u>(57,274)</u>	<u>(82,050)</u>

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

	Unaudited Current Period Ended 30.09.2022 RM'000	Unaudited Preceding Period Ended 30.09.2021 RM'000
Financing Activities		
Increase in fixed deposits pledged	(1,638)	(2,337)
Decrease/(Increase) in cash and bank balances pledged	3,729	(15,014)
Drawdown of:		
- Bank borrowings	549,008	464,864
- Sukuk Murabahah ("Sukuk")	5,000	-
Distribution to holders of Perpetual Sukuk	(15,193)	(8,840)
Dividends paid to non-controlling interests	(7,642)	-
Dividends paid	(28,849)	(22,644)
Issuance of Perpetual Sukuk	-	93,000
Purchase of treasury shares	(1,199)	(9)
Repayment of:		
- Bank borrowings	(650,577)	(457,647)
- Sukuk	(14,639)	(8,051)
- Lease liabilities	(6,972)	(2,409)
Net cash (used in)/from financing activities	<u>(168,972)</u>	<u>40,913</u>
Net increase/(decrease) in cash and cash equivalents	137,035	(396)
Effects of exchange translation differences on cash and cash equivalents	523	1,446
Cash and cash equivalents at beginning of the financial period	178,788	196,393
Cash and cash equivalents at end of the financial period	<u>316,346</u>	<u>197,443</u>
Cash and cash equivalents at end of the financial period comprises:		
Fixed deposits with licensed banks	24,112	22,934
Cash held under Housing Development Accounts	235,662	182,746
Cash and bank balances	143,777	113,812
Bank overdrafts	(61,170)	(78,803)
	<u>342,381</u>	<u>240,689</u>
Less : Fixed deposits pledged with licensed banks	(23,940)	(22,934)
Cash and bank balances pledged	(2,095)	(20,312)
	<u>316,346</u>	<u>197,443</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*)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments of MFRS 16	Leases	1 January 2024
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 2,703,400 of its ordinary shares in the open market for a total consideration of RM1,199,029 and retained as treasury shares of the Company.

A8. Dividend paid

During the financial quarter under review, an interim single-tier dividend of 0.85 sen per ordinary share and final single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2021 were paid on 14 July 2022 and 15 September 2022 respectively.

A9. Segmental Reporting

Period ended 30 September 2022 (unaudited)

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

	Property Development RM'000	Construction and Trading RM'000	Management and Investment RM'000	Motor Racing Circuit RM'000	Hotel RM'000	Others RM'000	Total RM'000
Revenue							
Total revenue	1,297,659	449,959	101,590	10,512	7,515	27,781	1,895,016
Less: Inter-segment revenue	-	(423,548)	(101,070)	-	-	(22,116)	(546,734)
Revenue from external customers	1,297,659	26,411	520	10,512	7,515	5,665	1,348,282
Financial Results							
Segment results	221,755	33,630	(16,235)	(2,217)	599	1,448	238,980
Interest income	2,874	187	113	457	-	29	3,660
Finance costs	(19,015)	(3,378)	(17,066)	(958)	(1,355)	(2)	(41,774)
Depreciation	(4,772)	(11,443)	(4,362)	(6,774)	(1,704)	(1,499)	(30,554)
Share of profit/(loss) of associates, net of tax	-	116	-	-	-	(18)	98
Profit/(Loss) before tax	200,842	19,112	(37,550)	(9,492)	(2,460)	(42)	170,410
Taxation	(56,329)	(8,079)	(1,175)	1,304	-	17	(64,262)
Net profit/(loss) for the financial period	144,513	11,033	(38,725)	(8,188)	(2,460)	(25)	106,148
Assets							
Additional investment in an associate	-	-	54	-	-	-	54
Additions to non-current assets	111,056	6,538	3,021	1,868	184	344	123,011
Segment assets	3,233,570	249,466	343,925	214,730	76,990	143,863	4,262,544

Period ended 30 September 2021 (unaudited)

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

	Property Development RM'000	Construction and Trading RM'000	Management and Investment RM'000	Motor Racing Circuit RM'000	Hotel RM'000	Others RM'000	Total RM'000
Revenue							
Total revenue	881,803	395,532	345,731	13,735	57	4,146	1,641,004
Less: Inter-segment revenue	-	(372,972)	(345,493)	-	-	(108)	(718,573)
Revenue from external customers	881,803	22,560	238	13,735	57	4,038	922,431
Financial Results							
Segment results	144,562	38,928	2,396	795	(4,079)	(779)	181,823
Interest income	1,848	125	142	315	-	24	2,454
Finance costs	(22,721)	(3,543)	(15,210)	(3)	(1,255)	218	(42,514)
Depreciation	(4,914)	(11,138)	(4,054)	(6,540)	(1,000)	(1,574)	(29,220)
Amortisation of intangible assets	-	-	(317)	-	-	-	(317)
Share of profit/(loss) of associates, net of tax	-	60	-	-	-	(3)	57
Profit/(Loss) before tax	118,775	24,432	(17,043)	(5,433)	(6,334)	(2,114)	112,283
Taxation	(30,436)	(9,218)	(1,580)	1,264	-	-	(39,970)
Net profit/(loss) for the financial period	88,339	15,214	(18,623)	(4,169)	(6,334)	(2,114)	72,313
Assets							
Additions to non-current assets	102,652	4,155	3,149	1,027	9,600	93	120,676
Segment assets	3,392,757	198,594	389,229	211,884	82,699	146,800	4,421,963

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 15 July 2022, LBS Bina Holdings Sdn. Bhd. (“LBS Bina”), a wholly-owned subsidiary of the Company, 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, Nuevoprima Development Sdn. Bhd. (“NDSB”), a wholly-owned subsidiary of LBS Bina, 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.
- (v) On 10 August 2022, Pembangunan Primer Sdn. Bhd. (“PPSB”), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 13,500,000 ordinary shares. LBS Bina has subscribed for an additional 13,000,000 ordinary shares in PPSB for a total cash consideration of RM13,000,000 only.

A12. Material events subsequent to the end of financial period

- (i) The submission of the application for voluntarily striking off of a subsidiary and an associate as below:
 - (a) Healthguard Medicare Sdn. Bhd., a 60% owned subsidiary of LBS Bina;
 - (b) Pristine Sunrise (M) Sdn. Bhd., a 30% owned associate of LBS Bina.

The above subsidiary and associate shall be struck off from the register of The Companies Commission of Malaysia upon publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016, which is pending as at the date of the report.

- (ii) On 3 November 2022, LBS Bina disposed of all the equity interest in PCSB for a total cash consideration of RM54,000 only. Consequently, PCSB has ceased to be a 49% owned associate of LBS Bina.
- (ii) In November 2022, LBS Bina acquired 1,050,000 ordinary shares, representing 10.5% equity interest in Kemudi Ehsan Sdn. Bhd. (“KESB”) for a total cash consideration of RM17,500,000 only. Consequently, KESB became a 98.5% owned subsidiary of LBS Bina.

There were no other material subsequent events as at 14 November 2022, being the latest practicable date, which shall not be earlier than 7 days from the date of issuance of this interim financial report.

LBS BINA GROUP BERHAD (Registration No: 200001015875 (518482-H))**A13. Capital commitments**

Capital commitments not provided for in the interim financial report as at 30 September 2022 were as follows:

	Amount RM'000
Approved and contracted for:	
a) Property development lands	424,410
b) Construction of right-of-use asset	31,949
c) Acquisition of property, plant and equipment	435
	<u>456,794</u>

A14. Contingent assets or contingent liabilities

	30.09.2022 RM'000	30.09.2021 RM'000
Bank guarantees for:		
- Property development	39,057	48,117
- Construction contracts	-	72
- Others	55	35
	<u>39,112</u>	<u>48,224</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	
Dividend income	106
Rental income	9
Sale of development properties	2,111
Expenses	
Contractors' fees	17,836
Dividends paid	15,404
Equity instrument	9,054
Legal fee	15
Lease expenses	38
Profit sharing to landowner	1,358
Rendering of services	2,073

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;
- (v) An associate of the Company;
- (vi) A holding company 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

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	
30.09.2022	30.09.2021	%	30.09.2022	30.09.2021	%	
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Property Development	512,187	243,190	111%	1,297,659	881,803	47%
Construction and Trading	145,788	110,298	32%	449,959	395,532	14%
Management and Investment	68,721	13,456	411%	101,590	345,731	-71%
Motor Racing Circuit	3,861	7,330	-47%	10,512	13,735	-23%
Hotel	3,133	3	104333%	7,515	57	13084%
Others	11,953	1,175	917%	27,781	4,146	570%
	<u>745,643</u>	<u>375,452</u>	99%	<u>1,895,016</u>	<u>1,641,004</u>	15%
Less: Inter-segment revenue	(216,754)	(121,494)	78%	(546,734)	(718,573)	-24%
	<u>528,889</u>	<u>253,958</u>	108%	<u>1,348,282</u>	<u>922,431</u>	46%
Profit/(Loss) before tax						
Property Development	80,613	35,582	127%	200,842	118,775	69%
Construction and Trading	5,266	4,113	28%	19,112	24,432	-22%
Management and Investment	(19,645)	(3,292)	-497%	(37,550)	(17,043)	-120%
Motor Racing Circuit	(2,524)	186	-1457%	(9,492)	(5,433)	-75%
Hotel	(507)	(1,989)	75%	(2,460)	(6,334)	61%
Others	(5)	(650)	99%	(42)	(2,114)	98%
	<u>63,198</u>	<u>33,950</u>	86%	<u>170,410</u>	<u>112,283</u>	52%

For the current quarter ("3Q2022"), the Group recorded revenue of RM529 million and profit before tax ("PBT") of RM63 million as compared to revenue of RM254 million and PBT of RM34 million in the same quarter last year.

For the nine months ended 30 September 2022 ("PTD2022"), the Group achieved revenue of RM1.3 billion and PBT of RM170 million as compared to revenue of RM922 million and PBT of RM112 million in the same period last year.

Both revenue and PBT surged significantly, mainly from the Property Development segment, being the main contributor to the higher revenue and PBT.

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 and higher progress billings for the key 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 85% 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 RM450 million and RM19 million respectively as compared to revenue of RM396 million and PBT of RM24 million in the same 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 and labour shortages.

Management and Investment

For the PTD2022, Management and Investment segment achieved revenue and loss before tax ("LBT") of RM102 million and RM38 million respectively as compared to revenue of RM346 million and LBT of RM17 million in the same period last year.

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

The increase in LBT was mainly arising from intra-group transactions such as unrealized foreign exchange loss and lower income from project management services.

Motor Racing Circuit

For the PTD2022, Motor Racing Circuit segment recorded revenue of RM11 million and LBT of RM9 million as compared to revenue of RM14 million and LBT of RM5 million in the same period last year.

The decrease in revenue was mainly due to expiry of a one-off consultancy service contract. The increase in LBT was mainly due to higher administrative and operating expenses.

Hotel

For the PTD2022, Hotel operation recorded revenue of RM8 million and LBT of RM2 million as compared to revenue of RM57,000 and LBT of RM6 million in the same period last year.

The hospitality business performed better due to improving domestic tourism demand and reopening of international borders.

Others

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

For the PTD2022, others segment recorded revenue of RM28 million and LBT of RM42,000 as compared to revenue of RM4 million and LBT of RM2 million in the same period last year.

The revenue was mainly derived from mall business and treasury management services.

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

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

	Current Quarter 30.09.2022 RM'000	Immediate Preceding Quarter 30.06.2022 RM'000	Changes (%)
Revenue	528,889	410,371	29%
Profit before tax ("PBT")	63,198	52,949	19%

PBT for the 3Q2022 increased by 19% to RM63 million from RM53 million in the immediate preceding quarter, on the back of a 29% growth in revenue to RM529 million from RM410 million.

The increase in both revenue and PBT were mainly attributable to higher contribution from its on-going and completed projects.

B3. Group's prospects for the current financial year

As at 20 November 2022, the Group has secured a commendable property sales of RM1.83 billion, which is 114% of the Group's financial year 2022 sales target of RM1.6 billion. This achievement is remarkable despite the challenging operating conditions beset by inflationary pressure, labour shortages, high material costs and rising interest rates.

Klang Valley is the largest sales contributor at 89%. The bulk of the new sales during the ten-month period were contributed by the projects at LBS Alam Perdana, KITA @ Cybersouth and Idaman BSP. Homeowners of LBS Alam Perdana, the main sales contributor, will benefit from the opening of DASH Highway and it has shortened the travel distance from Puncak Alam to Kota Damansara/One Utama, Petaling Jaya significantly. We believe the ongoing full stamp duty exemption on first residential homes below RM500,000 will continue to boost homeownership among middle-income earners as 60% of our properties are priced within the RM500,000 range.

The Group is expecting the momentum to continue with RM424 million worth of launches in 4Q2022. These include the 26-unit Emerald Garden in Batu Pahat and Idaman Melur, which comprises 1,448 units.

While the current industry challenges are expected to persist, at least in the near term, the Group's healthy unbilled sales of RM2.54 billion continue to provide revenue visibility for the next two to three years. While economic backdrop remains uncertain, the Group will continue to advance digitalisation within the organization, step up departmental centralisation, and to continue automated data gathering on industrialised building system (IBS) for greater output and quality. The Group continues to pursue ESG (environmental, social and governance) values and is working towards developing a business model that builds good governance with strong environmental and social performance.

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 30.09.2022 RM'000	Preceding year Quarter 30.09.2021 RM'000	Current year To date 30.09.2022 RM'000	Preceding year To date 30.09.2021 RM'000
Current tax provision	34,421	18,837	72,044	54,005
Under provision in prior years	7,163	-	7,163	-
Deferred tax	(17,550)	(4,899)	(14,945)	(14,035)
Total tax expense	<u>24,034</u>	<u>13,938</u>	<u>64,262</u>	<u>39,970</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 subsidiaries which cannot set off against taxable profits made by other subsidiaries, 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 14 November 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 14 November 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 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.

On 6 October 2022, the Board of Directors of Company announced that both parties have agreed to extend the Compliance Period (which is expiring on 7 October 2022) for another 12 months to 7 October 2023 for the fulfillment of the Conditions Precedent as stipulated in the Reclamation and Development Agreement dated 8 April 2021.

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 30.09.2022

	<u>Long-term</u> RM'000	<u>Short-term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	61,170	61,170
Lease liabilities	12,023	14,126	26,149
Bank borrowings	275,296	520,163	795,459
Sukuk	53,831	12,152	65,983
Total borrowings	<u>341,150</u>	<u>607,611</u>	<u>948,761</u>

B8. Material litigation

There was no material litigation as at 14 November 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 30.09.2022	Preceding Period to Date 30.09.2021
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>85,445</u>	<u>50,727</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,559,727</u>	<u>1,561,660</u>
Basic EPS (sen)	<u>5.48</u>	<u>3.25</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 30.09.2022	Preceding Period to Date 30.09.2021
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>85,445</u>	<u>50,727</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,559,727</u> #	<u>1,561,660</u> #
Diluted EPS (sen)	<u>5.48</u>	<u>3.25</u>

The number of shares under ESOS and/or RCPS were not taken into account in the computation of diluted earnings per share as the ESOS and/or RCPS do not have any dilutive effect on the weighted average number of ordinary shares. The Company's ESOS has expired on 17 September 2022.

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

	Current Year Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2022 RM'000
Allowance for impairment losses/(gains) on:		
- Goodwill arising on consolidation	2,194	6,694
- Investment properties	-	604
- Receivables	(902)	481
Bad debts written off	-	75
Capital work-in-progress written off	(4)	1,629
Depreciation of:		
- Investment properties	579	1,739
- Property, plant and equipment	3,239	9,925
- Right-of-use assets	6,404	18,890
Fair value loss on revaluation of financial assets	9	71
Inventories written off	2	3
Net foreign exchange loss	7,401	15,234
Property development costs written down	17,500	17,500
Property development costs written off	511	511
Provision for staff economic compensation	28	28
Property, plant and equipment written off	2	290
Waiver of interest income	39	1,961
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	(171)	(105)
- Right-of-use assets	-	(293)
Reversal of allowance for impairment gains/(losses) on:		
- Receivables	154	(3,514)
- Investment in an associate	-	(34)

By Order of the Board,

Dato' Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
21 November 2022