



LBS BINA GROUP BERHAD

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

Interim Financial Report

31 December 2022

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

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period	
		Current Year Quarter 31.12.2022 RM'000	Preceding Year Quarter 31.12.2021 RM'000	Current Year To date 31.12.2022 RM'000	Preceding Year To date 31.12.2021 RM'000
Revenue		372,758	443,326	1,721,040	1,365,757
Cost of sales		(277,492)	(291,266)	(1,238,613)	(920,987)
Gross profit		95,266	152,060	482,427	444,770
Interest income		487	587	4,147	3,041
Other income		6,664	7,257	20,017	13,880
Administrative and operating expenses		(41,647)	(76,479)	(233,735)	(223,526)
Finance costs		(17,553)	(18,976)	(59,327)	(61,490)
Share of (loss)/profit of associates, net of tax		(16)	76	82	133
Profit before tax		43,201	64,525	213,611	176,808
Taxation	B5	(14,873)	(21,916)	(79,135)	(61,886)
Net profit for the financial year		28,328	42,609	134,476	114,922
Net profit for the financial year attributable to:					
Owners of the parent		25,646	36,052	126,284	95,619
Non-controlling interests		2,682	6,557	8,192	19,303
		28,328	42,609	134,476	114,922
Earnings per share attributable to owners of the parent (sen) :					
Basic	B10	1.25	1.91	6.73	5.16
Diluted	B10	1.25	1.91	6.73	5.16

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

	Unaudited		Unaudited	
	Individual Quarter		Cumulative Period	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To date	To date
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	28,328	42,609	134,476	114,922
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	(16,786)	312	124	8,727
Total comprehensive income for the financial year	<u>11,542</u>	<u>42,921</u>	<u>134,600</u>	<u>123,649</u>
Total comprehensive income for the financial year attributable to:				
Owners of the parent	6,753	36,246	127,845	105,696
Non-controlling interests	4,789	6,675	6,755	17,953
	<u>11,542</u>	<u>42,921</u>	<u>134,600</u>	<u>123,649</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 December 2022

	Note	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	A10	44,204	50,588
Right-of-use assets		349,556	372,537
Capital work-in-progress		24,900	20,820
Inventories - land held for property development		1,305,175	1,163,759
Investment properties		191,822	162,142
Investment in associates		2,497	2,558
Trade receivables		3,068	2,765
Other investments		505	568
Goodwill on consolidation		66,184	72,834
Deferred tax assets		76,381	58,570
		2,064,292	1,907,141
Current assets			
Inventories - property development costs		406,549	745,458
Inventories - completed properties and others		124,261	236,337
Contract assets		640,453	608,943
Trade and other receivables		546,386	602,582
Other investments		-	2,003
Tax recoverable		14,879	7,649
Deposits, cash and bank balances		364,616	282,753
		2,097,144	2,485,725
Assets held for sale		370	2,348
		2,097,514	2,488,073
TOTAL ASSETS		4,161,806	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		460,259	388,170
Treasury shares, at cost		(6,660)	(3,191)
Equity attributable to owners of the parent		1,376,486	1,307,866
Perpetual Sukuk Musharakah ("Perpetual Sukuk")		223,000	223,000
Non-controlling interests		152,303	176,550
TOTAL EQUITY		1,751,789	1,707,416

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

	Note	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
<u>LIABILITIES</u>			
Non-current liabilities			
Trade and other payables		504,108	508,987
Bank borrowings	B7	292,105	408,615
Provision for retirement benefits		5,743	-
Deferred tax liabilities		37,637	39,515
		839,593	957,117
Current liabilities			
Contract liabilities		31,279	17,426
Trade and other payables		892,324	1,023,344
Bank borrowings	B7	626,208	672,741
Tax payable		20,613	17,170
		1,570,424	1,730,681
TOTAL LIABILITIES		2,410,017	2,687,798
TOTAL EQUITY AND LIABILITIES		4,161,806	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 year ended 31 December 2022 (The figures have not been audited)

	Attributable to owners of the parent											
	Non-distributable							<-Distributable->				Total equity RM'000
	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		
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 year	-	-	-	-	-	-	126,284	126,284	-	8,192	134,476	
Foreign currency translation reserve	-	-	-	-	1,561	-	-	1,561	-	(1,437)	124	
Total comprehensive income for the financial year	-	-	-	-	1,561	-	126,284	127,845	-	6,755	134,600	
Transactions with owners:												
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	150	150	
Changes in equity interests in a subsidiary	-	-	-	-	-	(5,568)	-	(5,568)	-	(23,432)	(29,000)	
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)	
RCPS preferential dividend paid	-	-	-	-	-	-	(6,211)	(6,211)	-	-	(6,211)	
Realisation of Employees' Share Option Scheme ("ESOS") reserve	-	-	-	(4,170)	-	-	4,170	-	-	-	-	
Shares repurchased	-	-	(3,469)	-	-	-	-	(3,469)	-	-	(3,469)	
Strike off of subsidiaries	-	-	-	-	-	65	-	65	-	(78)	(13)	
Total transactions with owners	-	-	(3,469)	(4,170)	-	(5,503)	(46,083)	(59,225)	-	(31,002)	(90,227)	
At 31.12.2022	819,378	103,509	(6,660)	-	124,600	(335,016)	670,675	1,376,486	223,000	152,303	1,751,789	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2022 (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	-	-	-	-	-	(29)	(85,471)	(85,500)	-	(5,647)	(91,147)
At 1.1.2021, as restated	819,378	103,509	(2,685)	4,422	112,962	(278,290)	532,298	1,291,594	130,000	113,815	1,535,409
Amount recognised directly in equity:											
Net profit for the financial year	-	-	-	-	-	-	95,619	95,619	-	19,303	114,922
Foreign currency translation reserve	-	-	-	-	10,077	-	-	10,077	-	(1,350)	8,727
Total comprehensive income for the financial year	-	-	-	-	10,077	-	95,619	105,696	-	17,953	123,649
Transactions with owners:											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	300	300
Changes in equity interests in subsidiaries	-	-	-	-	-	(51,991)	-	(51,991)	-	46,722	(5,269)
Dividend paid	-	-	-	-	-	-	(22,644)	(22,644)	-	-	(22,644)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,200)	(2,200)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(8,840)	(8,840)	-	-	(8,840)
Issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	93,000	-	93,000
RCPS preferential dividend paid	-	-	-	-	-	-	(6,211)	(6,211)	-	-	(6,211)
Realisation of ESOS reserve	-	-	-	(252)	-	-	252	-	-	-	-
Shares repurchased	-	-	(506)	-	-	-	-	(506)	-	-	(506)
Strike off of subsidiaries	-	-	-	-	-	768	-	768	-	(40)	728
Total transactions with owners	-	-	(506)	(252)	-	(51,223)	(37,443)	(89,424)	93,000	44,782	48,358
At 31.12.2021	819,378	103,509	(3,191)	4,170	123,039	(329,513)	590,474	1,307,866	223,000	176,550	1,707,416

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 year ended 31 December 2022

	Unaudited Current Year Ended 31.12.2022 RM'000	Audited Preceding Year Ended 31.12.2021 RM'000
Operating Activities		
Profit before tax	213,611	176,808
Adjustments for:		
Non-cash items	68,482	88,852
Other operating items	49,276	52,790
Operating profit before working capital changes	<u>331,369</u>	<u>318,450</u>
Changes in working capital:		
Inventories - land and property development costs	179,882	(51,613)
Inventories - completed properties and others	83,109	23,260
Contract assets	(31,510)	(63,402)
Contract liabilities	13,854	(13,672)
Receivables	105,355	(190,493)
Payables	(117,815)	173,405
	<u>232,875</u>	<u>(122,515)</u>
Cash generated from operations	564,244	195,935
Dividends received	180	153
Interest received	4,146	3,041
Interest paid	(53,984)	(50,228)
Tax paid	(102,377)	(86,182)
Tax refunded	896	192
	<u>(151,139)</u>	<u>(133,024)</u>
Net cash from operating activities	<u>413,105</u>	<u>62,911</u>
Investing Activities		
Additional investment in:		
- An associate	(54)	-
- Subsidiaries	(29,000)	(23,500)
- Financial assets measured at fair value through profit or loss ("FVTPL")	-	(2,000)
Capital work-in-progress incurred	(4,142)	(12,270)
Deposits and consideration paid for the acquisition and joint venture of development lands	(43,419)	(67,653)
Net cash inflows from disposal of a subsidiary	748	-
Net cash outflows from acquisition of a subsidiary	(941)	-
Proceeds from disposal of:		
- An associate	99	-
- Assets held for sale	-	750
- Financial assets measured at FVTPL	2,004	-
- Property, plant and equipment	429	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	300
Purchase of:		
- Property, plant and equipment	(8,524)	(5,133)
- Right-of-use assets	(7,632)	(2,488)
Repayment of prior years' investment in subsidiaries	(1,973)	(1,207)
Net cash used in investing activities	<u>(91,887)</u>	<u>(92,950)</u>

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

	Unaudited Current Year Ended 31.12.2022 RM'000	Audited Preceding Year Ended 31.12.2021 RM'000
Financing Activities		
Increase in fixed deposits pledged	(2,250)	(1,705)
Decrease/(Increase) in cash and bank balances pledged	4,880	(527)
Drawdown of:		
- Bank borrowings	645,877	624,389
- Sukuk Murabahah ("Sukuk")	5,000	-
Distribution to holders of Perpetual Sukuk	(15,193)	(8,840)
Dividends paid	(28,849)	(22,644)
Dividends paid to non-controlling interests	(7,642)	(2,200)
Issuance of Perpetual Sukuk	-	93,000
Purchase of treasury shares	(3,469)	(506)
RCPS preferential dividend paid	(6,211)	(6,211)
Repayment of:		
- Bank borrowings	(796,735)	(638,737)
- Sukuk	(25,352)	(9,202)
- Lease liabilities	(6,953)	(15,559)
Net cash (used in)/from financing activities	<u>(236,897)</u>	<u>11,258</u>
Net increase/(decrease) in cash and cash equivalents	84,321	(18,781)
Effects of exchange translation differences on cash and cash equivalents	(1,869)	1,176
Cash and cash equivalents at the beginning of the financial year	178,788	196,393
Cash and cash equivalents at the end of the financial year	<u>261,240</u>	<u>178,788</u>
Cash and cash equivalents at the end of the financial year comprises:		
Fixed deposits with licensed banks	24,725	22,302
Cash held under Housing Development Accounts	235,387	147,832
Cash and bank balances	104,504	112,619
Bank overdrafts	(77,880)	(75,839)
	<u>286,736</u>	<u>206,914</u>
Less : Fixed deposits pledged with licensed banks	(24,552)	(22,302)
Cash and bank balances pledged	(944)	(5,824)
	<u>261,240</u>	<u>178,788</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 to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	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 year under review have not been materially affected by any significant seasonal or cyclical factors.

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

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

A6. Material changes in estimates

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

A7. Debt and equity securities

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

Shares repurchased

The Company repurchased 8,252,000 of its ordinary shares in the open market for a total consideration of RM3,468,564 and retained as treasury shares of the Company.

A8. Dividend paid

During the financial quarter under review:

(I) **Ordinary shares**

There was no dividend paid.

(II) **RCPS**

Dividend of 6.6 sen per RCPS in respect of the financial year ended 31 December 2022 was paid on 30 November 2022.

A9. Segmental Reporting

Year ended 31 December 2022 (unaudited)

The segmental results for the current financial year 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
Revenue							
Total revenue	1,652,840	587,030	125,036	14,841	11,103	45,210	2,436,060
Less: Inter-segment revenue	-	(553,315)	(124,274)	-	-	(37,431)	(715,020)
Revenue from external customers	1,652,840	33,715	762	14,841	11,103	7,779	1,721,040
Financial Results							
Segment results	252,415	43,265	15,960	(1,280)	2,939	(3,926)	309,373
Interest income	2,969	250	294	605	-	29	4,147
Finance costs	(23,283)	(4,450)	(28,508)	(1,273)	(1,811)	(2)	(59,327)
Depreciation	(6,281)	(15,343)	(5,801)	(8,958)	(2,307)	(1,974)	(40,664)
Share of profit/(loss) of associates, net of tax	-	135	-	-	-	(53)	82
Profit/(Loss) before tax	225,820	23,857	(18,055)	(10,906)	(1,179)	(5,926)	213,611
Taxation	(66,039)	(11,211)	(3,625)	1,727	-	13	(79,135)
Net profit/(loss) for the financial year	159,781	12,646	(21,680)	(9,179)	(1,179)	(5,913)	134,476
Assets							
Additional investment in an associate	-	-	54	-	-	-	54
Additions to non-current assets	153,948	9,681	-	2,573	190	97	166,489
Segment assets	3,188,130	363,739	177,207	208,096	77,734	146,900	4,161,809

Year ended 31 December 2021 (audited)

The segmental results for the preceding financial year 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
Revenue							
Total revenue	1,302,298	583,579	512,921	21,266	1,983	18,967	2,441,014
Less: Inter-segment revenue	-	(549,342)	(512,616)	-	-	(13,299)	(1,075,257)
Revenue from external customers	1,302,298	34,237	305	21,266	1,983	5,668	1,365,757
Financial Results							
Segment results	214,680	56,424	5,250	3,335	(3,306)	(1,248)	275,135
Interest income	2,261	158	252	345	-	25	3,041
Finance costs	(34,560)	(4,717)	(19,086)	(1,251)	(1,709)	(167)	(61,490)
Depreciation	(6,111)	(14,996)	(5,504)	(8,796)	(2,150)	(2,107)	(39,664)
Amortisation of intangible assets	-	-	(347)	-	-	-	(347)
Share of profit/(loss) of associates, net of tax	-	141	-	-	-	(8)	133
Profit/(Loss) before tax	176,270	37,010	(19,435)	(6,367)	(7,165)	(3,505)	176,808
Taxation	(46,334)	(13,973)	(3,299)	1,693	-	27	(61,886)
Net profit/(loss) for the financial year	129,936	23,037	(22,734)	(4,674)	(7,165)	(3,478)	114,922
Assets							
Additions to non-current assets	134,094	11,616	3,797	853	9,997	146	160,503
Segment assets	3,390,458	201,067	359,887	216,933	80,274	146,595	4,395,214

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 November 2022, LBS Bina Holdings Sdn. Bhd. (“LBS Bina”), a wholly-owned subsidiary of the Company, disposed of all the equity interest in Prisma Craft Sdn. Bhd. (“PCSB”) for a total cash consideration of RM54,000 only. Consequently, PCSB has ceased to be a 49% owned associate of LBS Bina.
- (ii) On 7 November 2022, MGB Construction Sdn. Bhd. (“MGBC”), wholly-owned subsidiary of MGB Berhad, a 58.65% owned listed subsidiary of the Company, had subscribed 12,500 ordinary shares in MGB International for Industry (“MII”), a Limited Liability Company in Kingdom of Saudi Arabia, for a total cash consideration of SAR125,000 (approximately RM145,905) only. Consequently, MII became a wholly-owned subsidiary of MGBC.
- (iii) 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.
- (iv) On 16 December 2022, LBS Bina acquired 150,000 ordinary shares, representing 1.5% equity interest in KESB for a total cash consideration of RM2,500,000 only. Consequently, KESB became a wholly-owned subsidiary of LBS Bina.
- (v) Below mentioned subsidiary and associate were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016:-
 - 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.
- (vi) The status of the application for voluntarily strike-off of subsidiaries is as below:
 - a) Bimbingan Simfoni Sdn. Bhd., a 51% owned subsidiary of LBS Bina.
 - b) Megah Solaris Sdn. Bhd., a wholly-owned subsidiary of LBS Bina.
 - c) Nuevoprima Development Sdn. Bhd., a wholly-owned subsidiary of LBS Bina.
 - d) Taman Sempurna Sdn. Bhd., a wholly-owned subsidiary of LBS Bina.

These companies 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.

A12. Material events subsequent to the end of financial year

- (i) On 7 February 2023, LBS Bina had subscribed for 100 ordinary shares in STP Desa Pembangunan Sdn. Bhd. (“SDPSB”) for a total cash consideration of RM100 only. Consequently, SDPSB became a wholly-owned subsidiary of LBS Bina.
- (ii) On 7 February 2023, LBS Bina had subscribed for 100 ordinary shares in Sejuta Bina Sdn. Bhd. (“SBSB”) for a total cash consideration of RM100 only. Consequently, SBSB became a wholly-owned subsidiary of LBS Bina.
- (iii) On 10 February 2023, Bendera Berlian Sdn. Bhd. (“BBSB”), an associate of LBS Bina, had reduced its share capital from RM1,100,000 comprising 1,100,000 ordinary shares to RM35,000 comprising 35,000 ordinary shares by cancelling the shares capital of RM1,065,000 comprising 1,065,000 ordinary shares.

A12. Material events subsequent to the end of financial year (cont'd)

- (iv) On 14 February 2023, the Company has undertaken internal restructuring whereby LBS Bina disposed of all its 30% equity interest in Setara Armada Sdn. Bhd. ("SASB") to the Company for a total cash consideration of RM1.00 only. Consequently, SASB ceased to be a 30% owned associate of LBS Bina.

The Company also acquired another 700,000 ordinary shares, representing 70% equity interest in SASB for a total cash consideration of RM1.00 only. Consequently, SASB became a wholly-owned subsidiary of the Company.

There were no other material subsequent events as at 14 February 2023, being the latest practicable date, which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 December 2022 were as follows:

	Amount RM'000
Approved and contracted for:	
a) Property development lands	424,110
b) Construction of a right-of-use asset	31,949
c) Acquisition of property, plant and equipment	43
	<u>456,102</u>

A14. Contingent assets or contingent liabilities

	31.12.2022 RM'000	31.12.2021 RM'000
Bank guarantees for:		
- Property development	44,474	45,002
- Construction contracts	-	72
- Others	55	17
	<u>44,529</u>	<u>45,091</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 year were summarised as below:

	Amount RM'000
Income	
Dividend income	106
Rental income	11
Sale of development properties	2,111
Expenses	
Contractors' fees	21,246
Dividends paid	16,386
Equity instrument	29,054
Legal fee	35
Lease expenses	50
Profit sharing to landowner	1,411
Rendering of services	2,664

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; and
- (vi) 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	
	31.12.2022	31.12.2021	%	31.12.2022	31.12.2021	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Property Development	355,181	420,495	-16%	1,652,840	1,302,298	27%
Construction and Trading	137,071	188,047	-27%	587,030	583,579	1%
Management and Investment	23,446	167,190	-86%	125,036	512,921	-76%
Motor Racing Circuit	4,329	7,531	-43%	14,841	21,266	-30%
Hotel	3,588	1,926	86%	11,103	1,983	460%
Others	17,429	14,821	18%	45,210	18,967	138%
	<u>541,044</u>	<u>800,010</u>	-32%	<u>2,436,060</u>	<u>2,441,014</u>	0%
Less: Inter-segment revenue	<u>(168,286)</u>	<u>(356,684)</u>	53%	<u>(715,020)</u>	<u>(1,075,257)</u>	34%
	<u>372,758</u>	<u>443,326</u>	-16%	<u>1,721,040</u>	<u>1,365,757</u>	26%
Profit/(Loss) before tax						
Property Development	24,978	57,495	-57%	225,820	176,270	28%
Construction and Trading	4,745	12,578	-62%	23,857	37,010	-36%
Management and Investment	19,495	(2,392)	915%	(18,055)	(19,435)	7%
Motor Racing Circuit	(1,414)	(934)	-51%	(10,906)	(6,367)	-71%
Hotel	1,281	(831)	254%	(1,179)	(7,165)	84%
Others	(5,884)	(1,391)	-323%	(5,926)	(3,505)	-69%
	<u>43,201</u>	<u>64,525</u>	-33%	<u>213,611</u>	<u>176,808</u>	21%

For the current quarter ("4Q2022"), the Group recorded revenue of RM373 million and profit before tax ("PBT") of RM43 million as compared to revenue of RM443 million and PBT of RM65 million in the previous year corresponding quarter.

For the financial year ended 31 December 2022 ("FY2022"), the Group achieved revenue of RM1.7 billion and PBT of RM214 million as compared to revenue of RM1.4 billion and PBT of RM177 million in the financial year ended 31 December 2021 ("FY2021").

The analysis of the performance of the respective operating business segment for the FY2022 is as follows:

Property Development

For the FY2022, 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 Skylake Residence.

Development projects within the Klang Valley still remain as the largest revenue contributor, accounting for 84% of the Group's revenue for the FY2022.

B1. Review of Group performance (cont'd)

Construction and Trading

For the FY2022, Construction and Trading segment achieved revenue and PBT of RM587 million and RM24 million respectively as compared to revenue of RM584 million and PBT of RM37 million for the FY2021.

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 FY2022, Management and Investment segment achieved revenue and loss before tax ("LBT") of RM125 million and RM18 million respectively as compared to revenue of RM513 million and LBT of RM19 million for the FY2021.

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

The decrease in LBT was mainly arising from intra-group income from interest and project management services after provision for retirement benefits.

Motor Racing Circuit

For the FY2022, Motor Racing Circuit segment recorded revenue of RM15 million and LBT of RM11 million as compared to revenue of RM21 million and LBT of RM6 million for the FY2021.

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

Hotel

For the FY2022, Hotel operation recorded revenue of RM11 million and LBT of RM1 million as compared to revenue of RM2 million and LBT of RM7 million for the FY2021.

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 FY2022, others segment recorded revenue of RM45 million and LBT of RM6 million as compared to revenue of RM19 million and LBT of RM4 million for the FY2021.

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

The increase in revenue was mainly due to higher intra-group interest income from treasury management services and improvement in mall traffic. The increase in LBT was mainly due to higher administrative and operating expenses.

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

	Current Quarter 31.12.2022 RM'000	Immediate Preceding Quarter 30.09.2022 RM'000	Changes (%)
Revenue	372,758	528,889	-30%
Profit before tax ("PBT")	43,201	63,198	-32%

For the 4Q2022, the Group recorded revenue of RM373 million and PBT of RM43 million as compared to revenue of RM529 million and PBT of RM63 million in the immediate preceding quarter.

The decrease in both revenue and PBT were mainly due to lower contribution from its on-going projects at near completion stage.

B3. Group's prospects for the next financial year

The Group recorded another year of remarkable sales performance of RM2 billion in FY2022 which has surpassed its original target by 25%. Although the property market is facing challenges of geopolitical instability, supply chain disruption and inflation, the Group rose above the hurdles due to its continual understanding of the market's need for affordable homes and townships that come with affordability, connectivity and community – the pillars of all LBS developments. To add to that, our virtual platforms, digital media and marketing strategies employed, which included bringing back the LBS Fabulous Extra campaign, were the winning combination. The LBS Fabulous Extra 2022-23 campaign offers home buyers of LBS properties with even more opportunities to bring home amazing gifts than the preceding campaign – an impressive RM1.5 million worth of lucky draw prizes to be won.

As at 31 December 2022, the Group's current ongoing developments with an estimated gross development value (GDV) of RM5.7 billion, where almost 80% has been taken up. As a greater recovery is expected in the property market in 2023, the Group plans to launch 12 new projects, 51% in Klang Valley, 23% in Pahang and Johor respectively, and 3% in Perak. These make up the total GDV of RM 2.09 billion and 4,021 units. Some of these new property launches will be in our existing developments, such as Bandar Saujana Putra, KITA @ Cybersouth, D'Island Residence, and Prestige Residence, while the other new launches continue to provide homes for the affordable category. The projects will comprise of single-storey link houses, double-storey link houses, townhouses as well as high-rise properties.

The Group's future land bank stands at 2,970 acres. The Group's unbilled sales of about RM2.40 billion is expected to provide clear earnings visibility over the next two to three years. Propelling forward, the Group will continue to embrace digitalisation of operations and focus on sustainability within the organization. As the Group intensifies its pursuit toward complying its business operations with ESG (environmental, social and governance) values, its rating improvement is commendable and is now included in the FTSE4Good Bursa Malaysia (F4GBM) Index. This is a testament of the Group's commitment to build 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 31.12.2022 RM'000	Preceding year Quarter 31.12.2021 RM'000	Current year To date 31.12.2022 RM'000	Preceding year To date 31.12.2021 RM'000
Current tax provision	17,709	16,876	89,753	70,881
Under provision in prior years	776	2,058	7,939	2,058
Deferred tax	(3,612)	2,982	(18,557)	(11,053)
Total tax expense	<u>14,873</u>	<u>21,916</u>	<u>79,135</u>	<u>61,886</u>

The effective tax rate of the Group for the current quarter and financial year were higher than the statutory tax rate of 24% mainly due to losses of certain 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 February 2023, 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.

The Conditions Precedent in the DRA have been fulfilled and the DRA has become unconditional.

- (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 February 2023, 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.

- (vii) On 14 December 2022, Retro Court Sdn. Bhd. ("RCSB"), a wholly-owned indirect subsidiary of MGB Berhad ("MGB"), a listed subsidiary of the Company entered into a Framework Agreement ("FA") with Invest Energy Sdn. Bhd. ("IESB") for collaboration to explore the potential design, finance, operation, use, and/or maintenance of clean energy solutions such as green energy (including but not limited to all types of renewable energy and energy efficiency solutions such as solar, biogas, biomass and/or combined heat and power) located at Kerteh Terengganu Industrial Park.

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 February 2023, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report: (cont'd)

- (viii) On 13 January 2023, MGB entered into a Memorandum of Understanding (“MOU”) with SANY Alameriah For Construction Co., Ltd., a limited liability company incorporated at Kingdom of Saudi Arabia, in relation to collaborate and co-operate with each other for the installation of IBS precast concrete products up to 10,000 units of properties under the Government Sakani Program in Kingdom of Saudi Arabia and to be completed within Five (5) years [as hereinafter defined “Construction of Units”] and operate the precast concrete factory located in Jeddah (“Factory”) and supply of IBS precast concrete products for the Construction of Units [“Operation of Precast Concrete Manufacturing”]. The value of the supply and install for the Construction of Units is approximately 2.5 billion SAR.

The Construction of Units and Operation of Precast Concrete Manufacturing are collectively known as “Projects” and is subject to terms to be mutually agreed and/or determined in a Definitive Agreement upon the successful award of the Construction of Units or any part thereof by the Awardee for the implementation of the Construction of Units between the Parties as the case may be.

B7. Borrowings and debt securities

The Group borrowings and debt securities were as follows:

Year ended 31.12.2022

	<u>Long-term</u>	<u>Short-term</u>	<u>Total borrowings</u>
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	-	77,880	77,880
Lease liabilities	11,490	14,670	26,160
Bank borrowings	229,797	529,206	759,003
Sukuk	50,818	4,452	55,270
Total borrowings	<u>292,105</u>	<u>626,208</u>	<u>918,313</u>

B8. Material litigation

There was no material litigation as at 14 February 2023, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

B9. Dividend declared

No dividend has been declared for the quarter under review.

B10. Earnings per share (“EPS”)**Basic EPS**

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

	Current Year to Date 31.12.2022	Preceding Year to Date 31.12.2021
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>104,880</u>	<u>80,568</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,558,501</u>	<u>1,561,509</u>
Basic EPS (sen)	<u>6.73</u>	<u>5.16</u>

Diluted EPS

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

	Current Year to Date 31.12.2022	Preceding Year to Date 31.12.2021
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>104,880</u>	<u>80,568</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,558,501 #</u>	<u>1,561,607 #</u>
Diluted EPS (sen)	<u>6.73</u>	<u>5.16</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 31.12.2022 RM'000	Current Year To Date 31.12.2022 RM'000
Allowance for impairment losses on:		
- Goodwill arising on consolidation	-	6,694
- Investment properties	-	604
- Receivables	541	1,022
- Other investments	63	63
Bad debts written off	340	415
Capital work-in-progress written off	(11)	1,618
Deposits written off	425	425
Depreciation of:		
- Investment properties	594	2,333
- Property, plant and equipment	3,234	13,159
- Right-of-use assets	6,282	25,172
Fair value loss on revaluation of financial assets	4	75
Inventories written off	1	4
Net foreign exchange loss	(15,048)	186
Prepayment written off	214	214
Property development costs written down	-	17,500
Property development costs written off	(214)	297
Property, plant and equipment written off	25	315
Provision for retirement benefits	5,743	5,743
Provision for staff economic compensation	58	86
Waiver of interest income	21	1,982
Contingency sum accrued in prior years no longer required	(18)	(8,837)
Gain on striking off of:		
- Subsidiaries	(13)	(13)
- An associate	(14)	(14)
Net loss / (gain) on disposal of:		
- Financial assets measured at FVTPL	-	(1)
- Investment in an associate	-	41
- Investment in a subsidiary	-	(600)
- Property, plant and equipment	119	14
- Right-of-use assets	-	(293)
Reversal of allowance for impairment losses on:		
- Receivables	(1,655)	(5,169)
- Investment in an associate	(75)	(109)

By Order of the Board,

Dato' Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
21 February 2023