



**LBS BINA GROUP BERHAD**

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

**Interim Financial Report**

**31 March 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
For the financial period ended 31 March 2023

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period	
		Current Year Quarter 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year To date 31.03.2023 RM'000	Preceding Year To date 31.03.2022 RM'000
Revenue		384,858	409,022	384,858	409,022
Cost of sales		(269,280)	(296,362)	(269,280)	(296,362)
Gross profit		115,578	112,660	115,578	112,660
Interest income		1,359	677	1,359	677
Other income		3,683	6,459	3,683	6,459
Administrative and operating expenses		(49,281)	(51,461)	(49,281)	(51,461)
Finance costs		(16,608)	(14,085)	(16,608)	(14,085)
Share of (loss)/profit of associates, net of tax		(8)	13	(8)	13
Profit before tax		54,723	54,263	54,723	54,263
Taxation	B5	(18,351)	(20,465)	(18,351)	(20,465)
Net profit for the financial period		36,372	33,798	36,372	33,798
<b>Net profit for the financial period attributable to:</b>					
Owners of the parent		30,495	30,161	30,495	30,161
Non-controlling interests		5,877	3,637	5,877	3,637
		36,372	33,798	36,372	33,798
<b>Earnings per share attributable to owners of the parent (sen) :</b>					
Basic	B10	1.48	1.45	1.48	1.45
Diluted	B10	1.48	1.45	1.48	1.45

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
For the financial period ended 31 March 2023 (*cont'd*)

	Unaudited Individual Quarter		Unaudited Cumulative Period	
	Current Year Quarter 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year To date 31.03.2023 RM'000	Preceding Year To date 31.03.2022 RM'000
Net profit for the financial period	36,372	33,798	36,372	33,798
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	765	1,958	765	1,958
Total comprehensive income for the financial period	<u>37,137</u>	<u>35,756</u>	<u>37,137</u>	<u>35,756</u>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the parent	31,538	32,448	31,538	32,448
Non-controlling interests	5,599	3,308	5,599	3,308
	<u>37,137</u>	<u>35,756</u>	<u>37,137</u>	<u>35,756</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 2022 and the accompanying explanatory notes attached to the interim financial report.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2023**

	Note	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	44,170	44,228
Right-of-use assets		349,702	349,550
Capital work-in-progress		25,082	24,900
Inventories - land held for property development		1,313,642	1,297,812
Investment properties		191,139	191,822
Investment in associates		2,077	2,498
Trade receivables		4,004	3,068
Other investments		505	505
Goodwill on consolidation		66,184	66,184
Deferred tax assets		71,272	75,611
		2,067,777	2,056,178
<b>Current assets</b>			
Inventories - property development costs		363,035	418,425
Inventories - completed properties and others		109,085	122,703
Contract assets		739,131	638,371
Trade and other receivables		453,531	549,604
Tax recoverable		20,460	14,716
Deposits, cash and bank balances		384,489	365,111
		2,069,731	2,108,930
Assets held for sale		-	222
		2,069,731	2,109,152
<b>TOTAL ASSETS</b>		4,137,508	4,165,330
<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		486,437	462,512
Treasury shares, at cost		(9,866)	(6,659)
Equity attributable to owners of the parent		1,399,458	1,378,740
Perpetual Sukuk Musharakah ("Perpetual Sukuk")		223,000	223,000
Non-controlling interests		158,075	153,085
<b>TOTAL EQUITY</b>		1,780,533	1,754,825

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2023 (*cont'd*)

	Note	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
<b><u>LIABILITIES</u></b>			
<b>Non-current liabilities</b>			
Trade and other payables		498,934	504,090
Borrowings	B7	256,689	271,964
Provision for retirement benefits		7,195	5,687
Deferred tax liabilities		36,081	35,957
		798,899	817,698
<b>Current liabilities</b>			
Contract liabilities		46,840	31,192
Trade and other payables		856,307	894,743
Borrowings	B7	636,316	645,275
Tax payable		18,613	21,597
		1,558,076	1,592,807
<b>TOTAL LIABILITIES</b>		2,356,975	2,410,505
<b>TOTAL EQUITY AND LIABILITIES</b>		4,137,508	4,165,330
<b>Net assets per share attributable to owners of the parent (RM)</b>		0.91	0.89

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 31 March 2023 (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	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 1.1.2023	819,378	103,509	(6,659)	124,598	(335,016)	672,930	1,378,740	223,000	153,085	1,754,825
Amount recognised directly in equity:										
Net profit for the financial period	-	-	-	-	-	30,495	30,495	-	5,877	36,372
Foreign currency translation reserve	-	-	-	1,043	-	-	1,043	-	(278)	765
Total comprehensive income for the financial period	-	-	-	1,043	-	30,495	31,538	-	5,599	37,137
<b>Transactions with owners:</b>										
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(609)	(609)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	(7,613)	(7,613)	-	-	(7,613)
Shares repurchased	-	-	(3,207)	-	-	-	(3,207)	-	-	(3,207)
Total transactions with owners	-	-	(3,207)	-	-	(7,613)	(10,820)	-	(609)	(11,429)
At 31.03.2023	819,378	103,509	(9,866)	125,641	(335,016)	695,812	1,399,458	223,000	158,075	1,780,533

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the financial period ended 31 March 2023 (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 1.1.2022	819,378	103,509	(3,191)	4,170	123,039	(329,513)	590,474	1,307,866	223,000	176,550	1,707,416
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	30,161	30,161	-	3,637	33,798
Foreign currency translation reserve	-	-	-	-	2,287	-	-	2,287	-	(329)	1,958
Total comprehensive income for the financial period	-	-	-	-	2,287	-	30,161	32,448	-	3,308	35,756
<b>Transactions with owners:</b>											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	150	150
Changes in equity interests in subsidiaries	-	-	-	-	-	(2,303)	-	(2,303)	-	(6,698)	(9,001)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,084)	(3,084)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	(7,613)	(7,613)	-	-	(7,613)
Shares repurchased	-	-	(394)	-	-	-	-	(394)	-	-	(394)
Total transactions with owners	-	-	(394)	-	-	(2,303)	(7,613)	(10,310)	-	(9,632)	(19,942)
At 31.03.2022	819,378	103,509	(3,585)	4,170	125,326	(331,816)	613,022	1,330,004	223,000	170,226	1,723,230

*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 2022 and the accompanying explanatory notes attached to the interim financial report.*



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 31 March 2023**

	Unaudited Current Period Ended 31.03.2023 RM'000	Unaudited Preceding Period Ended 31.03.2022 RM'000
<b>Operating Activities</b>		
Profit before tax	54,723	54,263
Adjustments for:		
Non-cash items	13,264	1,944
Other operating items	13,244	12,084
Operating profit before working capital changes	<u>81,231</u>	<u>68,291</u>
Changes in working capital:		
Inventories - land and property development costs	40,095	(40,879)
Inventories - completed properties and others	13,612	65,852
Contract assets	(100,761)	(119,853)
Contract liabilities	15,649	4,938
Receivables	106,599	78,769
Payables	(31,485)	(17,002)
	<u>43,709</u>	<u>(28,175)</u>
Cash generated from operations	124,940	40,116
Dividends received	180	-
Interest received	1,359	677
Interest paid	(15,130)	(13,739)
Tax paid	(23,224)	(21,266)
Tax refunded	-	755
	<u>(36,815)</u>	<u>(33,573)</u>
Net cash from operating activities	<u>88,125</u>	<u>6,543</u>
<b>Investing Activities</b>		
Additional investment in:		
- Subsidiaries	-	(9,001)
Capital work-in-progress incurred	(188)	(2,913)
Deposits and consideration paid for the acquisition and joint venture of development lands	(16,520)	(4,417)
Net cash inflows from disposal of a subsidiary	-	748
Net cash inflows from acquisition of a subsidiary	5	-
Proceeds from disposal of:		
- An associate	-	45
- Assets held for sale	50	-
- Financial assets measured at fair value through profit or loss ("FVTPL")	-	2,004
- Property, plant and equipment	19	76
- Right-of-use assets	165	159
Proceeds from acquisition of equity interest by non-controlling interests	-	150
Proceeds from share capital reduction	522	-
Purchase of:		
- Property, plant and equipment	(1,439)	(574)
- Right-of-use assets	(175)	(395)
Repayment of prior years' investment in subsidiaries	-	(700)
Net cash used in investing activities	<u>(17,561)</u>	<u>(14,818)</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the financial period ended 31 March 2023 (*cont'd*)

	Unaudited Current Period Ended 31.03.2023 RM'000	Unaudited Preceding Period Ended 31.03.2022 RM'000
<b>Financing Activities</b>		
Increase in fixed deposits pledged	(7,245)	(395)
(Increase) / Decrease in cash and bank balances pledged	(1,597)	523
Drawdown of:		
- Bank borrowings	117,759	206,669
- Sukuk Murabahah ("Sukuk")	-	5,000
- Other borrowings	20,000	-
Distribution to Perpetual Sukuk holders	(7,613)	(7,613)
Dividends paid to non-controlling interests	(609)	(3,084)
Shares repurchased	(3,207)	(394)
Repayment of:		
- Bank borrowings	(126,436)	(227,722)
- Sukuk	(8,922)	(5,863)
- Lease liabilities	(4,115)	(3,103)
Net cash used in financing activities	<u>(21,985)</u>	<u>(35,982)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	48,579	(44,257)
<b>Effects of exchange translation differences on cash and cash equivalents</b>	(4,418)	265
<b>Cash and cash equivalents at the beginning of the financial period</b>	261,531	178,788
<b>Cash and cash equivalents at the end of the financial period</b>	<u>305,692</u>	<u>134,796</u>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Fixed deposits with licensed banks	32,001	22,868
Cash held under Housing Development Accounts	166,695	106,679
Cash and bank balances	185,793	117,452
Bank overdrafts	(44,123)	(84,204)
	<u>340,366</u>	<u>162,795</u>
Less : Fixed deposits pledged with licensed banks	(31,827)	(22,698)
Cash and bank balances pledged	(2,847)	(5,301)
	<u>305,692</u>	<u>134,796</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 2022 and the accompanying explanatory notes attached to the interim financial report.*

**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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 2022. 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 2022.

**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 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Policies
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 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 2022 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 7,699,700 of its ordinary shares in the open market for a total consideration of RM3,206,951 and retained as treasury shares of the Company.

**A8. Dividend paid**

There was no dividend paid during the financial quarter under review.

**A9. Segmental Reporting**

**Period ended 31 March 2023 (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
<b>Revenue</b>							
Total revenue	370,435	168,790	14,746	3,953	1,481	14,987	574,392
Less: Inter-segment revenue	-	(162,084)	(14,556)	-	-	(12,894)	(189,534)
Revenue from external customers	370,435	6,706	190	3,953	1,481	2,093	384,858
<b>Financial Results</b>							
Segment results	56,930	18,209	5,529	545	(737)	(833)	79,643
Interest income	1,034	128	41	142	-	14	1,359
Finance costs	(6,899)	(1,043)	(7,918)	(307)	(441)	-	(16,608)
Depreciation	(1,533)	(3,831)	(1,381)	(2,138)	(315)	(465)	(9,663)
Share of loss of associates, net of tax	-	(7)	-	-	-	(1)	(8)
Profit/(Loss) before tax	49,532	13,456	(3,729)	(1,758)	(1,493)	(1,285)	54,723
Taxation	(13,630)	(3,713)	(1,431)	422	-	1	(18,351)
Net profit/(loss) for the financial period	35,902	9,743	(5,160)	(1,336)	(1,493)	(1,284)	36,372
<b>Assets</b>							
Additions to non-current assets	19,885	4,844	454	34	249	26	25,492
Segment assets	3,107,472	230,655	368,490	209,796	77,837	143,258	4,137,508

**Period ended 31 March 2022 (unaudited)**

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

**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 7 February 2023, LBS Bina Holdings Sdn. Bhd. ("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.

LBS Bina disposed of 30 ordinary shares, representing 30% equity interest in SDPSB for a total cash consideration of RM30 only on 2 March 2023. Consequently, SDPSB became a 70% 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.

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

The Company also acquired 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.

- (v) On 20 February 2023, LBS Bina had subscribed for 100 ordinary shares in Green Technology Solar Sdn. Bhd. ("GTSSB") for a total cash consideration of RM100 only. Consequently, GTSSB became a wholly-owned subsidiary of LBS Bina.

- (vi) On 23 February 2023, MGB Geotech Sdn. Bhd., an indirect wholly-owned subsidiary company of MGB Berhad ("MGB"), an indirect 58.65% subsidiary of the Company, has changed its name to MGB Kampar Development Sdn. Bhd. and subsequently changed its name to MGB Development Sdn. Bhd. ("MDSB") on 29 March 2023.

On 29 March 2023, MDSB has changed its principal activity from piling and foundation construction works to property development and operation of generation facilities that produce electric energy.

On 30 March 2023, MGB Construction & Engineering Sdn. Bhd. ("MGBCE"), a direct wholly-owned subsidiary of MGB, has undertaken internal restructuring whereby MGBCE, disposed all the equity interest in MDSB to MGB Land Sdn. Bhd. ("MLSB"), a direct wholly-owned subsidiary of MGB for a total cash consideration of RM750,000 only.

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

- (i) On 4 April 2023, LBS Bina acquired 17,850 ordinary shares, representing 51% equity interest in Bendera Berlian Sdn. Bhd. (“BBSB”) for a total cash consideration of RM2 only. Consequently, BBSB became a wholly-owned subsidiary of LBS Bina.
- (ii) On 7 April 2023, LBS Bina acquired 25,000 ordinary shares, representing 10% equity interest in Koleksi Sigma Sdn. Bhd. (“KSSB”) for a total cash consideration of RM4,100,000 only. Consequently, KSSB became a 85% owned subsidiary of LBS Bina.
- (iii) On 13 April 2023, MDSB had increased its paid-up share capital from 750,000 to 1,000,000 ordinary shares. MLSB has subscribed for additional 250,000 ordinary shares in MDSB by way of capitalisation.
- (iv) On 10 May 2023, LBS Bina acquired 500,000 ordinary shares, representing 100% equity interest in Pelangi Kolonel Sdn. Bhd. (“PKSB”) for a total cash consideration of RM9,000 only. Consequently, PKSB became a wholly-owned subsidiary of LBS Bina.
- (v) On 18 May 2023, LBS Bina had subscribed for 100 ordinary shares in LBS Healthcare Sdn. Bhd. (“LHSB”) for a total cash consideration of RM100 only. Consequently, LHSB became a wholly-owned subsidiary of LBS Bina.

There were no other material subsequent events as at 18 May 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 March 2023 were as follows:

	<b>Amount RM'000</b>
Approved and contracted for:	
a) Property development lands	415,848
b) Construction of right-of-use assets	50,694
c) Acquisition of property, plant and equipment	3,244
	<u>469,786</u>

**A14. Contingent assets or contingent liabilities**

	<b>31.03.2023 RM'000</b>	<b>31.03.2022 RM'000</b>
Bank guarantees for:		
- Property development	94,190	44,615
- Construction contracts	-	72
- Others	65	17
	<u>94,255</u>	<u>44,704</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 RM'000</b>
<b>Income</b>	
Rental income	2
<b>Expenses</b>	
Contractors' fees	4,995
Lease expenses	13
Profit sharing to landowner	104
Rendering of services	381

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

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

	<b>Individual Quarter</b>		<b>Changes %</b>
	<b>Current Year Quarter 31.03.2023 RM'000</b>	<b>Preceding Year Quarter 31.03.2022 RM'000</b>	
<b>Revenue</b>			
Property Development	370,435	393,479	-6%
Construction and Trading	168,790	174,010	-3%
Management and Investment	14,746	19,245	-23%
Motor Racing Circuit	3,953	3,689	7%
Hotel	1,481	1,718	-14%
Others	14,987	6,834	119%
	<u>574,392</u>	<u>598,975</u>	-4%
Less: Inter-segment revenue	<u>(189,534)</u>	<u>(189,953)</u>	0%
	<u>384,858</u>	<u>409,022</u>	-6%
<b>Profit/(Loss) before tax</b>			
Property Development	49,532	51,989	-5%
Construction and Trading	13,456	10,963	23%
Management and Investment	(3,729)	(5,230)	29%
Motor Racing Circuit	(1,758)	(2,249)	22%
Hotel	(1,493)	(1,505)	1%
Others	(1,285)	295	-536%
	<u>54,723</u>	<u>54,263</u>	1%

For the current quarter ("1Q2023"), the Group recorded revenue of RM385 million and profit before tax ("PBT") of RM55 million as compared to revenue of RM409 million and PBT of RM54 million in the previous year corresponding quarter.

The analysis of the performance of the respective operating business segment for the 1Q2023 is as follows:

**Property Development**

For the 1Q2023, property Development segment recorded revenue of RM370 million and PBT of RM50 million respectively as compared to revenue of RM393 million and PBT of RM52 million in the same period last year.

Revenue and PBT were mainly derived from the key development projects at KITA @ Cybersouth, Bukit Jalil and LBS Alam Perdana.

Development projects within the Klang Valley still remain as the largest revenue contributor, accounting for 87% of the Group's revenue for the current financial period.

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

**Construction and Trading**

Construction and Trading segment achieved revenue and PBT of RM169 million and RM13 million respectively as compared to revenue of RM174 million and PBT of RM11 million in the same period last year.

The revenue was primarily contributed from in-house projects. The increase in PBT was mainly due to cost savings from completed construction contracts.

**Management and Investment**

Management and Investment segment achieved revenue and loss before tax ("LBT") of RM15 million and RM4 million respectively as compared to revenue of RM19 million and LBT of RM5 million in the same period last year.

The decrease in revenue and LBT were mainly due to lower intra-group dividend income and higher intra-group interest income after taking into consideration of provision for retirement benefits.

**Motor Racing Circuit**

Motor Racing Circuit segment recorded revenue of RM4 million and LBT of RM2 million as compared to revenue of RM4 million and LBT of RM2 million in the same period last year.

**Hotel**

Hotel operation recorded revenue of RM1.5 million and LBT of RM1.5 million as compared to revenue of RM1.7 million and LBT of RM1.5 million in the same period last year.

**Others**

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

Others segment recorded revenue of RM15 million and LBT of RM1 million as compared to revenue of RM7 million and PBT of RM0.3 million in the same period last year.

The increase in revenue was mainly due to higher intra-group interest income from treasury management services and better mall business.

The increase in LBT was mainly due to higher administrative expenses.

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

	<b>Current Quarter 31.03.2023 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2022 RM'000</b>	<b>Changes (%)</b>
Revenue	384,858	375,575	2%
Profit before tax ("PBT")	54,723	46,517	18%

For the current quarter, the Group recorded revenue of RM385 million and PBT of RM55 million as compared to revenue of RM376 million and PBT of RM47 million in the immediate preceding quarter.

The improvement in revenue and PBT were mainly attributable to higher progressive recognition of revenue and profit contribution from its on-going projects.

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

In 2023, as business activities normalize and the political landscape becomes more conducive, both consumer and business confidence will continue to grow, leading to a steady momentum in property sales.

As of 24 May 2023, the Group ("LBS") has secured RM526 million in total property sales, with a pipeline of RM589 million in property bookings, primarily from affordable properties. Sales in the Klang Valley accounted for RM483 million (92% of total sales), while the remaining RM43 million (8%) came from projects in Johor, Pahang, and Perak.

Malaysia's young working population, particularly Millennials aged 27 to 41 (Gen Y), is driving the market for properties priced below RM500,000. This group represents 50% of the country's working age population, making them a crucial target market for LBS as an affordable-housing developer.

LBS applauds the government's recent move to subsidise cement prices for affordable housing priced below RM300,000. This is in line with our ongoing commitment to provide quality affordable homes in strategic locations, emphasizing growth potential and accessibility. With a robust unbilled sales of RM2.39 billion, we are assured of revenue visibility for the next two to three years, further strengthening our position as a leader in delivering quality affordable housing.

To boost property sales, LBS has launched the 'Rezeki Ekstra Dikongsi Kembali' homeownership campaign, coinciding with the Hari Raya Aidilfitri festival. The campaign offers homebuyers a chance to win a 'Duit Raya' worth over RM438,800, along with six bonus offerings upon purchasing a home with LBS. This campaign builds on the success of LBS's long-running marketing campaign, "LBS Fabulous Extraaa."

LBS is committed to further enhancing its digitalization initiatives to optimize systems and processes in key areas such as property development, property management, and customer engagement. Moreover, the Group remains dedicated to upholding ESG (environmental, social, and governance) best practices. This commitment has led to LBS being recognized and is now included in the FTSE4Good Bursa Malaysia (F4GBM) Index. Going forward, LBS will intensify its efforts to align its business operations with ESG values, demonstrating its continued commitment to responsible and sustainable practices.

**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 31.03.2023 RM'000	Preceding year Quarter 31.03.2022 RM'000	Current year To date 31.03.2023 RM'000	Preceding year To date 31.03.2022 RM'000
Current tax provision	14,497	15,318	14,497	15,318
Deferred tax	3,854	5,147	3,854	5,147
Total tax expense	<u>18,351</u>	<u>20,465</u>	<u>18,351</u>	<u>20,465</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 18 May 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, the Consortium together with MGB's indirect wholly-owned subsidiary, Idaman Aktif Sdn. Bhd. has entered into a Joint Venture Agreement ("JVA") 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.

In February 2023, the Conditions Precedent in the JVA have been fulfilled and the JVA has become unconditional.

- (ii) 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 18 May 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)

- (iii) 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 the 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.

- (iv) 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.

On 21 March 2023, the Company announced to extend the agreement, which is expiring on 21 March 2023 for another 3 months to 21 June 2023.

- (v) 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.

- (vi) 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 18 May 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)

- (vii) 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.

- (viii) On 1 April 2023, the Company entered into a Memorandum of Understanding (“MOU”) with Sany Group Co., Ltd (“Sany”) to form the basis of understanding and to combine the respective efforts to collaborate and co-operate with each other for the following proposed projects: -

- (i) To jointly explore the proposal of using Sany Construction Engineering’s latest structural system (“SPCS”) for the development of 10,000 units of property across Asia (“Property Project”). The total project value of the Property Project is approximately RM3 billion; and
- (ii) To jointly explore, research and plan for an Intelligent Deep-Water Port in Malacca by using Sany’s expertise in Artificial Intelligence (AI) manufacturing and port management technology to build a One-Stop Industrial 4.0 Hub Port in Malacca Waterfront Economic Zone (M-WEZ) comprising of free trade zones and oil and liquified natural gas industrial park, logistic and warehousing intelligent manufacturing, ship maintenance and other port-related business (“Port Project”). The total investment value of the Port Project is approximately RM8 billion.

The Company and Sany shall be collectively referred as the “Parties”.

The MOU shall be effective from the date of MOU and valid for a period of one year with an automatic extension for a further period of one year (“Validity Period”). The MOU is only valid as per the Validity Period, unless extended or renewed by mutual agreement of the Parties in writing.

**B7. Borrowings and debt securities**

The Group borrowings and debt securities were as follows:

**Period ended 31.03.2023**

	<u>Long-term</u> RM'000	<u>Short-term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	44,123	44,123
Lease liabilities	9,757	15,286	25,043
Other borrowing	-	20,000	20,000
Bank borrowings	205,077	552,414	757,491
Sukuk	41,855	4,493	46,348
Total borrowings	<u>256,689</u>	<u>636,316</u>	<u>893,005</u>

**B8. Material litigation**

There was no material litigation as at 18 May 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.

**10. 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 31.03.2023</b>	<b>Preceding Period to Date 31.03.2022</b>
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>22,882</u>	<u>22,548</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,548,701</u>	<u>1,560,308</u>
Basic EPS (sen)	<u>1.48</u>	<u>1.45</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:

	<b>Current Period to Date 31.03.2023</b>	<b>Preceding Period to Date 31.03.2022</b>
Adjusted net profit attributable to ordinary equity holders (RM'000)	<u>22,882</u>	<u>22,548</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,548,701 #</u>	<u>1,560,402 #</u>
Diluted EPS (sen)	<u>1.48</u>	<u>1.45</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.



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

	<b>Current Year Quarter 31.03.2023 RM'000</b>	<b>Current Year To Date 31.03.2023 RM'000</b>
Allowance for impairment losses on:		
- Assets held for sale	172	172
- Goodwill arising on consolidation	15	15
- Receivables	248	248
Depreciation of:		
- Investment properties	683	683
- Property, plant and equipment	3,032	3,032
- Right-of-use assets	5,948	5,948
Net foreign exchange loss	100	100
Property, plant and equipment written off	101	101
Provision for retirement benefits	1,508	1,508
Waiver of interest income	1	1
Fair value adjustment on trade receivables	91	91
Net loss / (gain) on disposal of:		
- Property, plant and equipment	11	11
- Right-of-use assets	(165)	(165)
Provision for staff economic compensation no longer required	(8)	(8)
Reversal of allowance for impairment losses on:		
- Receivables	(186)	(186)
- Investment in an associate	(290)	(290)

**By Order of the Board,**

**Dato' Lim Mooi Pang**  
**Executive Director**

Petaling Jaya, Selangor Darul Ehsan  
25 May 2023