

**LAGENDA PROPERTIES BERHAD**

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

	Note	(UNAUDITED)			(UNAUDITED)		
		INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
		1 OCT 2022 to 31 DEC 2022	1 OCT 2021 to 31 DEC 2021		1 JAN 2022 to 31 DEC 2022	1 JAN 2021 to 31 DEC 2021	
Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000		Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000			
Revenue		236,065	251,106	(15,041)	868,080	835,548	32,532
Cost of sales		(151,944)	(154,996)	(3,052)	(549,071)	(512,330)	36,741
<b>Gross Profit</b>		84,121	96,110	(11,989)	319,009	323,218	(4,209)
Other income		7,065	15,299	(8,234)	26,917	36,151	(9,234)
Administrative expenses		(13,317)	(19,854)	(6,537)	(52,280)	(45,290)	6,990
Selling and marketing expenses		(7,297)	(8,638)	(1,341)	(27,143)	(21,650)	5,493
Other expenses		(440)	(869)	(429)	(441)	(1,311)	(870)
Finance costs		(4,751)	(2,820)	1,931	(15,298)	(13,263)	2,035
Share of result of associate, net of tax		67	-	67	46	-	(46)
<b>Profit before tax</b>		65,448	79,228	(13,780)	250,810	277,855	(27,045)
Tax expense	B5	(20,665)	(22,810)	(2,145)	(73,074)	(77,406)	(4,332)
<b>Profit net of tax, representing total comprehensive income for the period</b>		44,783	56,418	(11,635)	177,736	200,449	(22,713)
<b>Earnings per share (EPS) (in sen)</b>							
Basic		5.34	7.04		21.25	24.99	
Diluted		4.49	5.57		17.88	19.78	

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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	1 OCT 2022 to 31 DEC 2022	1 OCT 2021 to 31 DEC 2021		1 JAN 2022 to 31 DEC 2022	1 JAN 2021 to 31 DEC 2021	
	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000		Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000	
<b>Profit for the period</b>	44,783	56,418	(11,635)	177,736	200,449	(22,713)
<b>Total comprehensive income for the period</b>	<u>44,783</u>	<u>56,418</u>	(11,635)	<u>177,736</u>	<u>200,449</u>	(22,713)
<b>Total comprehensive income attribute to :</b>						
Owner of the Company	44,654	56,452	(11,798)	177,772	200,489	(22,717)
Non-controlling Interest	129	(34)	163	(36)	(40)	(4)
	<u>44,783</u>	<u>56,418</u>	(11,635)	<u>177,736</u>	<u>200,449</u>	(22,713)

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

	<b>UNAUDITED AS AT 31 DEC 2022 RM '000</b>	<b>AUDITED AS AT 31 DEC 2021 RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,227	11,054
Investment properties	23,652	22,922
Goodwill	25,576	25,576
Other investment	-	1,038
Investment in a joint venture	545	-
Inventories	203,849	139,022
	<u>270,849</u>	<u>199,612</u>
<b>Current assets</b>		
Inventories	488,809	472,183
Contract assets	280,519	222,671
Trade receivables	272,650	271,075
Other receivables, deposits and prepayments	40,797	53,294
Deposits with licensed banks	58,213	37,839
Cash and bank balances	383,583	191,524
	<u>1,524,571</u>	<u>1,248,586</u>
<b>TOTAL ASSETS</b>	<u>1,795,420</u>	<u>1,448,198</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	333,171	314,551
Other reserves	(8,630)	(1,700)
Retained earnings	691,123	567,777
Equity attributable to owners of the Company	1,015,664	880,628
Non-controlling interests	8	(5)
<b>TOTAL EQUITY</b>	<u>1,015,672</u>	<u>880,623</u>
<b>Non-current liabilities</b>		
Borrowings	300,905	159,138
Lease liabilities	4,924	3,030
Deferred tax liabilities	1,263	923
Other payables	-	2,792
	<u>307,092</u>	<u>165,883</u>
<b>Current liabilities</b>		
Trade payables	178,806	195,492
Other payables and accruals	200,219	142,450
Contract liabilities	5,853	2,701
Borrowings	82,083	40,861
Lease liabilities	1,769	1,771
Tax liabilities	3,926	18,417
	<u>472,656</u>	<u>401,692</u>
<b>TOTAL LIABILITIES</b>	<u>779,748</u>	<u>567,575</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,795,420</u>	<u>1,448,198</u>
Net Assets per ordinary share (RM)	1.21	1.10

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2022**

	← Non-Distributable →		Distributable		Total Equity RM'000
	Share capital RM'000	Other reserve RM'000	Retained earnings RM'000	Non- controlling interests RM'000	
<b>As at 1 January 2022</b>	314,551	(1,700)	567,777	(5)	880,623
Profit/(loss) for the period	-	-	177,772	(36)	177,736
Transaction with owners of the Company:					
Additional investment in a subsidiary	-	-	-	49	49
Share-based payments/transactions	-	2,552	-	-	2,552
Dividend paid to the shareholders of the Company	-	-	(54,426)	-	(54,426)
RCPS dividend paid/payable during the period	-	(9,482)	-	-	(9,482)
Conversion of Warrant B	18,620	-	-	-	18,620
<b>As at 31 December 2022</b>	<b>333,171</b>	<b>(8,630)</b>	<b>691,123</b>	<b>8</b>	<b>1,015,672</b>
<b>As at 1 January 2021</b>	220,520	(5,864)	403,882	7,811	626,349
Profit/(loss) for the period	-	-	201,506	(40)	201,466
Transaction with owners of the Company:					
Issuance of shares pursuant to:-					
- Private placement	92,643	-	-	-	92,643
Dividend paid to the shareholders of the Company	-	-	(45,017)	-	(45,017)
Additional investment in a subsidiary	-	-	7,406	(7,806)	(400)
Share-based payments/transactions	-	9,093	-	-	9,093
RCPS dividend paid/payable during the period	-	(8,469)	-	-	(8,469)
Conversion of RCPS	(3,540)	3,540	-	-	-
Conversion of Warrant B	4,928	-	-	-	4,928
Subscription of shares in subsidiary by non-controlling interest	-	-	-	30	30
<b>As at 31 Decemeber 2021</b>	<b>314,551</b>	<b>(1,700)</b>	<b>567,777</b>	<b>(5)</b>	<b>880,623</b>

The unaudited Condensed Consolidated Statement of Change 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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2022**

	(UNAUDITED) 12 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 22 TO 31 DEC 22 RM'000	(AUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 21 TO 31 DEC 21 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Pofit before tax	250,810	279,079
Adjustments for :		
Accretion of interest income on deferred other receivable	(661)	(1,470)
Depreciation of property, plant and equipment	3,300	2,396
Fair value adjustment on investment properties	-	(6,777)
Fair value adjustment on derivative assets	(1,428)	-
Bargain purchase on acquisition of a subsidiary	(7,822)	(11,020)
Gain on disposal of property, plant and equipment	(139)	(356)
Gain on remeasurement of deferred other receivable	-	(971)
Loss on remeasurement of lease liabilities	552	19
Revaluation surplus on investment properties	(730)	-
Interest expenses	15,298	13,050
Interest income	(3,519)	(2,998)
Share of results of a joint venture	(46)	-
Share based payment expenses	2,552	9,093
Goodwill written-off	-	870
<b>Operating profit before working capital changes</b>	258,167	280,915
Inventories	(63,772)	(103,269)
Contract assets	(54,697)	(23,574)
Receivables	53,433	42,286
Payables	21,283	(44,751)
<b>Cash generated from operations</b>	214,414	151,607
Interest received	3,519	2,998
Interest paid	(14,668)	(11,649)
Income tax paid	(87,224)	(86,122)
<b>Net cash generated from operating activities</b>	116,041	56,834
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Investment in subsidiaries	45	(400)
Deposit paid for lands held for future development	(39,884)	(42,492)
Acquisition of a subsidiary, net of cash flow	7,610	(17,672)
Purchase of property, plant and equipment	(5,941)	(1,985)
Proceeds from disposal of property, plant and equipment	139	420
Proceeds from subscription of shares by non-controlling interest	-	30
<b>Net cash used in investing activities</b>	(38,031)	(62,099)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to RCPS holders	(9,482)	(7,700)
Dividend paid to shareholders	(54,426)	(45,017)
Proceeds from private placement	-	92,642
Proceeds from conversion of warrant B	18,620	4,928
Drawdown/(Repayment) of borrowings	181,902	(21,897)
Payment for the principal portion of lease liabilities	(2,191)	(1,637)
Repayment to Directors' related companies	-	(116)
Repayment to Director	-	(535)
Increase in fixed deposit pledged	(30,764)	-
Uplift on fixed deposit pledged to a bank	-	21,444
<b>Net cash generated from financing activities</b>	103,659	42,112
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	181,669	36,847
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	225,777	188,930
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	407,446	225,777

The unaudited Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2022 (Cont'd)

	<b>(UNAUDITED)</b> <b>12 MONTHS</b> <b>CURRENT</b> <b>FINANCIAL PERIOD</b> <b>1 JAN 22 TO 31 DEC 22</b> <b>RM '000</b>	<b>(AUDITED)</b> <b>PRECEDING YEAR</b> <b>CORRESPONDING</b> <b>FINANCIAL PERIOD</b> <b>1 JAN 21 TO 31 DEC 21</b> <b>RM '000</b>
<b>Cash and cash equivalent comprises:</b>		
Cash and bank balances	290,477	84,985
Fixed deposits with licensed banks	58,213	37,839
Short term investments	93,106	106,539
	<u>441,796</u>	<u>229,363</u>
<b>Less:</b>		
Fixed deposits pledged with licensed banks	<u>(34,350)</u>	<u>(3,586)</u>
	<u>407,446</u>	<u>225,777</u>

The unaudited Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A1. Basic of preparation

The interim financial report has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting, the requirements of the Companies Act, 2016 in Malaysia, and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached. These explanatory notes attached to the financial statements 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.

### A2. Significant Accounting Policies

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 following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

#### MFRSs and/or IC Interpretations (Including The Consequential Amendments)

	<b>Effective date</b>
MFRS 17 : Insurance Contracts	1 January 2023
Amendments to MFRS 17 : Initial Application of MFRS 17 and MFRS 9	1 January 2023
Amendments to MFRS 101 : Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 : Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
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 a 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

The Group and the Company plan to apply the abovementioned standards, amendments, and interpretations when they become effective in the respective financial periods.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

### A3. Comparatives

The comparative figures have not been restated.

### A4. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021.

### A5. Auditors’ Report on Preceding Annual Financial Statements

The Auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

### A6. Seasonal or cyclical factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

### A7. Unusual items affecting Assets, Liabilities, Equity, Net income or Cash flow

There were no items or events that arose during the quarter under review, which affected assets, liabilities, equity, net income or cash flows that are unusual by reason of their nature, size or incidence.

### A8. Material changes in estimates

There were no changes in estimates that have had any material effect during the financial quarter under review.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A9. Debt and equity securities

As at 31 December 2022, the following shares have been issued and listed on the Main Market of Bursa Securities on the following dates as a result of the conversion of RCPS.

#### (a) RCPS

	(units)
RCPS in issuance - 12 August 2020	639,641,716
Conversion of RCPS - 25 August 2020	(170,000,000)
Conversion of RCPS - 21 January 2021	(250,000,000)
Allotment of RCPS - 03 August 2021	<u>76,550,572</u>
Balance of RCPS after conversion	<u>296,192,288</u>

Save as disclosed above, there were no further issuance, cancellations, repurchases, resale and repayment of debts and equity securities during the current quarter.

### A10. Dividend paid

There was no dividend paid during the quarter under review.

### A11. Segment Revenue and Segment Result By Business Segments

#### (a) Primary reporting format – business segment

All the operations of the Group are organised in Malaysia into three main business segments:

- (i) Property development - property development
- (ii) Construction - building construction
- (iii) Trading - trading of building materials and hardware

Transactions between segments were entered into the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transaction are eliminated on consolidation.

#### (b) Secondary reporting format – geographical segment

The operations of the Group are substantially carried out in Malaysia.

#### Financial period ended 31 December 2022

	Property development RM '000	Construction RM '000	Trading RM '000	Non- reportable segment RM '000	Elimination RM '000	Group RM '000
Sales to external customers	696,114	30,790	134,591	15	6,570	868,080
Inter-segment revenue	<u>29,930</u>	<u>304,444</u>	<u>8,983</u>	<u>90</u>	<u>(343,447)</u>	<u>-</u>
Total revenue	726,044	335,234	143,574	105	(336,877)	868,080
Gross profit	298,529	35,900	8,452	50	(23,922)	319,009
Other income	51,104	1,367	979	92,362	(118,895)	26,917
Administrative expenses	(36,907)	(7,240)	(3,160)	(12,839)	7,866	(52,280)
Selling and marketing expenses	(27,177)	-	-	-	34	(27,143)
Other expenses	(441)	-	-	-	-	(441)
Finance costs	(15,662)	(773)	(669)	(8,480)	10,286	(15,298)
Share of result of associates	-	-	-	-	46	46
Profit/(loss) before tax	<u>269,446</u>	<u>29,254</u>	<u>5,602</u>	<u>71,093</u>	<u>(124,585)</u>	<u>250,810</u>
Taxation						<u>(73,074)</u>
Profit after tax						<u>177,736</u>



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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A11. Segment Revenue and Segment Result By Business Segments (cont'd)

(b) Secondary reporting format – geographical segment (cont'd)

#### Financial period ended 31 December 2021

	Property development RM '000	Construction RM '000	Trading RM '000	Non- reportable segment RM '000	Elimination RM '000	Group RM '000
Sales to external customers	664,444	73,708	115,529	-	(18,133)	835,548
Inter-segment revenue	70,893	350,272	3,942	-	(425,107)	-
Total revenue	735,337	423,980	119,471	-	(443,240)	835,548
Gross profit	305,566	44,935	9,390	-	(36,673)	323,218
Other income	14,516	6,751	1,832	34,949	(21,897)	36,151
Administrative expenses	(26,216)	(6,146)	(1,679)	(12,776)	1,527	(45,290)
Selling and marketing expenses	(22,012)	-	-	-	362	(21,650)
Other expenses	-	(442)	-	-	(869)	(1,311)
Finance costs	(10,829)	(150)	(412)	(14,862)	12,990	(13,263)
Profit/(loss) before tax	261,025	44,948	9,131	7,311	(44,560)	277,855
Taxation						(77,406)
Profit after tax						200,449

### A12. Valuation of property, plant and equipment

In line with the Group's adoption of fair value method in relation to its investment properties. The Group's properties were revalued by JS Valuers Property Consultants (Perak) Sdn Bhd.

### A13. Subsequent events

There were no significant events subsequent to the end of this financial quarter up to 20 February 2023 being the last practicable date from the date of issuance of this report save for the item disclosed in Note B7(b).

### A14. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

### A15. Capital commitment

There were no material capital expenditure commitments during the current quarter under review except for acquisition of development land authorised and contracted for amounting to RM102.48 million.

### A16. Related party transactions

Transaction with shareholders/directors of the company and its subsidiary companies, and with companies in which they have interest.

	4th Quarter ended 31 December 2022 RM '000
Purchase of motor vehicle	80
Rental paid	1,442
Late payment charges	(29)
Rental received	(2,117)
Sale of material	(3,275)

### A17. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2021.

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## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### B1. Performance review

	4th Quarter ended 31 Dec 2022 RM '000	4th Quarter ended 31 Dec 2021 RM '000	Changes Increase / (Decrease) RM '000	%
<b>Revenue</b>				
Property development	187,546	210,259	(22,713)	(10.8)
Construction	4,411	15,754	(11,343)	(72.0)
Trading	25,715	33,295	(7,580)	(22.8)
<i>Intra-group elimination</i> *	18,393	(8,202)	(26,595)	324.3
Total revenue	236,065	251,106	(15,041)	(6.0)
<b>Profit before tax</b>				
Property development	82,622	77,399	5,223	6.7
Construction	9,101	9,702	(601)	(6.2)
Trading	1,282	1,946	(664)	(34.1)
Investment holding	25,922	17,725	(8,197)	(46.2)
<i>Intra-group elimination</i> *	(53,479)	(27,544)	25,935	(94.2)
Total profit before tax	65,448	79,228	(13,780)	(17.4)

\* *Intragroup elimination was performed in accordance to Malaysia Financial Reporting Standard ("MFRS") 10 : Consolidated Financial Statement*

For the current financial quarter ended 31 December 2022, the Group recorded a revenue of RM236.07 million representing a decrease of 6% as compared to preceding year corresponding quarter's revenue of RM251.11 million. The decrease in revenue from the property development segment was due to slower recognition of project revenue mainly from BBSAP Fasa 2D and 3A as the completion for both phases are reaching tail end. Project launched during the year namely BBSAP Fasa 4A, Lagenda Tropica, Lagenda Teluk Intan Fasa 3A and Darulaman Lagenda Phase 1 has started to contribute towards the revenue stream gradually as these project are still in the early stage of their respective construction milestone.

The decrease in construction revenue from RM15.8 million to RM4.4 million for the quarter under review was due to near completion of a construction project compared to preceeding year corresponding quarter.

Revenue and the profit before tax from trading segment has decrease slightly to RM25.7 million and RM1.3 million respectively, mainly due to lower sales as sales tend to slowdown approaching to year end.

The Group recorded a profit before tax of RM65.45 million in the current financial quarter as compared to the profit before tax of RM79.23 million in the preceding year corresponding quarter. The decrease in profit before tax was mainly due to completion of the projects mentioned above and a lower recognition from the new projects in the current financial quarter. However the increase in profit before tax in the Investment Holding segment were mainly due to the recognition of subsidiaries dividend which amount to RM23 million and subsequently being eliminated under intra-group transaction. The decrease in PBT was also contributed by investment related expenses incurred for talents acquisitions as the Group expands its workforce in preparation for multi states project launches in the coming quarters.

### B2. Material change in profit before taxation of the current quarter compared with the immediate preceding quarter

	4th Quarter ended 31 Dec 2022 RM '000	3rd Quarter ended 30 Sep 2022 RM '000	Changes Increase / (Decrease) RM '000	%
<b>Revenue</b>				
Property development	187,546	134,723	52,823	39.2
Construction	4,411	5,960	(1,549)	(26.0)
Trading	25,715	41,723	(16,008)	(38.4)
<i>Intra-group elimination</i> *	18,393	(1,687)	(20,080)	1,190.3
Total revenue	236,065	180,719	55,346	30.6
<b>Profit before tax</b>				
Property development	82,622	54,992	27,630	50.2
Construction	9,101	8,074	1,027	12.7
Trading	1,282	1,673	(391)	(23.4)
Investment holding	25,922	21,637	4,285	19.8
<i>Intra-group elimination</i> *	(53,479)	(34,336)	19,143	(55.8)
Total profit before tax	65,448	52,040	13,408	25.8

\* *Intragroup elimination was performed in accordance to Malaysia Financial Reporting Standard ("MFRS") 10 : Consolidated Financial Statement*

For the current financial quarter ended 31 December 2022, the Group's revenue had increased to RM236.07 million as compared to RM180.72 million reported in the immediate preceding quarter. The increase in total group revenue was mainly due to higher sales of under construction units comparing to last immediate preceeding quarter. Confirmed sales has went up significantly to 1,053 units comparing to 899 units on a quarter to quarter increase of 17% for under construction units and newly launched development namely Darulaman Lagenda Phase 1.

The decrease in construction revenue from RM6 million to RM4.4 million for the quarter under review was to near completion of a construction project compared to preceeding year corresponding quarter.

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## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### B2. Material change in profit before taxation of the current quarter compared with the immediate preceding quarter (Cont'd)

For the current quarter under review, revenue from the Trading segment has decrease by 38.4% to RM25.7 million mainly due to slower sales due to seasonal factor as the year was ending.

The Group recorded a increase in profit before tax amounting to RM65.45 million in the current financial quarter as compared to the profit before tax of RM52.04 million in the immediate preceding quarter mainly due to improvement and contribution from the Property Development segment as sales conversion improved.

### B3. Commentary on prospects

We delivered satisfactory performance with PATAMI of RM177.8 million in FY2022 despite lingering effects of the pandemic which affected labour supply and regulatory processes. The provision for prosperity taxes and upfront costs in preparation for multi-state project launches slightly impacted our margins. Nevertheless, we maintained a healthy net profit margin of 20% and registered a return on equity ("ROE") of 17.4% for FY2022.

During the year, we launched slightly more than 4,800 homes with a total gross development value ("GDV") of RM1.1 billion, including 1,400 units in Darulaman Lagenda, Sungai Petani. This new township received an overwhelming response with 98% of the units booked within two months, demonstrating that we are adopting the right strategies to replicate our success outside Perak. For FY2022, we clocked total confirmed sales of RM788 million, surpassing our performance in FY2021 despite temporary delays in our planned launches caused by external factors. Bookings and sales momentum continued to be healthy in 4Q2022 and we expect this to carry into 2023 as the demand for affordable housing still outstrips supply. As at 31 December 2022, the Group's unbilled sales and bookings stood at RM680 million and RM439 million, respectively, providing visibility for 2023.

With a scalable business model and a commitment to affordability, Lagenda is looking to expand into new states in 2023, making landed homes accessible to a wider spectrum of Malaysians. We recently announced the acquisition of 1,075 acres of land in Kulai, Johor, increasing our landbank by 30% to 4,798 acres across four states in Peninsular Malaysia. As we grow, we will continue increasing efficiency based on previous development frameworks, market insights and knowledge gained to ensure business sustainability.

Barring unforeseen circumstances the Board expects the Group to achieve satisfactory results for FY2023.

### B4. Profit forecast

The Company did not issue any profit forecast during the current financial quarter under review.

### B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2022 RM '000	Preceding Year Quarter 31 Dec 2021 RM '000	Current Year To Date 31 Dec 2022 RM '000	Preceding Year To Date 31 Dec 2021 RM '000
Deferred tax liabilities	(354)	773	581	1,484
Taxation	(20,311)	(23,583)	(73,655)	(78,890)
Tax expenses	(20,665)	(22,810)	(73,074)	(77,406)
Effective tax rate	31.6%	28.8%	29.1%	27.9%

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes and the implication of one off Prosperity Tax for the year of assessment 2022 which chargeable income above RM100 million will be tax at the rate of 33%.

### B6. Details of Group Borrowings and Debt Securities

The group interest-bearing borrowings as at the end of the reporting period are as follows:

	Current year 31 Dec 2022 RM'000	Preceding year 31 Dec 2021 RM'000
<b>Current</b>		
Hire purchase payables	1,387	1,378
Revolving Credits	57,876	10,000
Finance lease	382	393
Banker's acceptance	5,391	8,007
Term loans	18,816	22,854
	83,852	42,632
<b>Non-current</b>		
Hire purchase payables	3,779	2,721
Revolving Credits	112,300	-
Finance lease	1,145	309
Term loans	188,605	159,138
	389,681	204,800

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### B7. Corporate Proposals

- (a) On 9 August 2022, the Company via its wholly owned subsidiary namely TNSB has entered into a conditional sales and purchase agreement (“SPA”) with Ladang Awana Sdn Bhd (a related party) in relation to a proposed acquisition of 42 block titles of development/agricultural land measuring approximately 422 acres, all located within Mukim Durian Sebatang, Daerah Hilir Perak, Perak Darul Ridzuan for a total cash consideration of RM 92.4 million (“Proposed Acquisition 1”).

On 31 October 2022, an Extraordinary General Meeting (“EGM”) was held to vote for the resolution given in Proposed Acquisition 1 by way of poll voting. The above mentioned resolution was carried during the EGM on the same day. The Proposed Acquisition 1 is still conditional and expected to be completed by 1st half of 2023.

- (b) On 13 February 2023, Lagenda Mersing Sdn Bhd (“LMSB”) a 70% owned subsidiary of LPB Development Sdn. Bhd., which in turn is a wholly-owned subsidiary of LPB, had on 13 February 2023 entered into a conditional sales and purchase agreement with Seriemas Development Sdn. Berhad for the acquisition by LMSB of 2 parcels of freehold land located in Kelan Kechil, Mukim Senai, Daerah Kulai, Negeri Johor measuring approximately 1,075.48 acres for a total cash consideration of RM398,207,224.80 (“Proposed Acquisition 2”). Proposed Acquisition 2 is currently conditional and expected to be completed before the 2<sup>nd</sup> quarter of 2024.

### B8. Financial instruments

There was no outstanding financial instruments as at the date of issue of this quarterly report.

### B9. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report.

### B10. Dividend

- (a) A single-tier second interim dividend of 3.5 sen (2022 single-tier first interim dividend: 3.0 sen) per ordinary share amounting to RM29,306,451 (2022 single-tier first interim dividend: RM25,119,815) has been declared by the Board of Directors in respect of the financial year ended 31 December 2022.
- (b) The interim single-tier dividend shall be payable on 17 April 2023.
- (c) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as of 4 April 2023.

### B11. Earnings per share

#### (i) Basic Earnings Per Share

The basic earnings per ordinary share were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

	Current Year 31 Dec 2022 Quarter	Preceding Year 30 Dec 2021 Quarter	Current Year 31 Dec 2022 To Date	Preceding Year 30 Dec 2021 To Date
Profit net of tax attributable to owners of the parent (RM'000)	44,654	56,452	177,772	200,489
Basic Weighted average number of ordinary share in issue ('000)	836,689	802,299	836,689	802,299
Basic earning per share (EPS) (sen)	5.34	7.04	21.25	24.99

#### (ii) Diluted Earning Per Shares

The diluted earnings per ordinary shares were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

	Current Year 31 Dec 2022 Quarter	Preceding Year 30 Dec 2021 Quarter	Current Year 31 Dec 2022 To Date	Preceding Year 30 Dec 2021 To Date
Profit net of tax attributable to owners of the parent (RM'000)	44,654	56,452	177,772	200,489
Weighted average number of ordinary share in issue ('000)	994,493	1,013,723	994,493	1,013,723
Diluted earning per share (EPS) (sen)	4.49	5.57	17.88	19.78

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### B12. Notes to the Statement of Comprehensive Income

	<b>Current Quarter</b>	<b>Preceding Year</b>
	<b>31 Dec 2022</b>	<b>Quarter</b>
	<b>RM '000</b>	<b>31 Dec 2021</b>
		<b>RM '000</b>
Accretion of interest income on deferred other receivables	-	276
Bargain purchase on acquisition of a subsidiary	190	11,077
Interest income	1,622	593
Rental income	616	783
Auditors' remuneration	(172)	(103)
Depreciation of property, plant and equipment	(1,034)	(635)
Employee share-based payment	80	(9,093)
Interest expenses on:		
- accretion of interest on contingent consideration	(43)	(315)
- banker's acceptance	(164)	(76)
- bank guarantee commission	(6)	(5)
- lease liabilities	(63)	(71)
- term loan	(4,475)	(1,947)
Loss on remeasurement of lease liabilities	(275)	-

### B13. Auditors' Report on the Preceding Annual Financial Statements

There was no qualification in the audit report on the preceding audited annual financial statements.

### B14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company on 27 February 2023.