

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	Note	(UNAUDITED)			(UNAUDITED)		
		INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
		1 JAN 2023 to 31 MAR 2023	1 JAN 2022 to 31 MAR 2022		1 JAN 2023 to 31 MAR 2023	1 JAN 2022 to 31 MAR 2022	
Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000			
Revenue		180,952	192,750	(11,798)	180,952	192,750	(11,798)
Cost of sales		(114,472)	(110,608)	3,864	(114,472)	(110,608)	3,864
Gross Profit		66,480	82,142	(15,662)	66,480	82,142	(15,662)
Other income		8,659	2,867	5,792	8,659	2,867	5,792
Administrative expenses		(12,155)	(9,992)	2,163	(12,155)	(9,992)	2,163
Selling and marketing expenses		(5,242)	(6,547)	(1,305)	(5,242)	(6,547)	(1,305)
Other expenses		-	(1)	(1)	-	(1)	(1)
Finance costs		(4,784)	(3,352)	1,432	(4,784)	(3,352)	1,432
Share of result of associate, net of tax		139	-	139	139	-	(139)
Profit before tax		53,097	65,117	(12,020)	53,097	65,117	(12,020)
Tax expense	B5	(13,793)	(18,131)	(4,338)	(13,793)	(18,131)	(4,338)
Profit net of tax, representing total comprehensive income for the period		39,304	46,986	(7,682)	39,304	46,986	(7,682)
Earnings per share (EPS) (in sen)							
Basic		4.70	5.63		4.70	5.63	
Diluted		4.04	4.66		4.04	4.66	

The unaudited Condensed Consolidated Income Statement 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.

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	(UNAUDITED) INDIVIDUAL QUARTER			(UNAUDITED) CUMULATIVE QUARTER		
	1 JAN 2023 to 31 MAR 2023	1 JAN 2022 to 31 MAR 2022	Changes Increase / (Decrease) RM'000	1 JAN 2023 to 31 MAR 2023	1 JAN 2022 to 31 MAR 2022	Changes Increase / (Decrease) RM'000
	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000		Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000	
Profit for the period	39,304	46,986	(7,682)	39,304	46,986	(7,682)
Total comprehensive income for the period	<u>39,304</u>	<u>46,986</u>	(7,682)	<u>39,304</u>	<u>46,986</u>	(7,682)
Total comprehensive income attribute to :						
Owner of the Company	39,336	47,007	(7,671)	39,336	47,007	(7,671)
Non-controlling Interest	(32)	(21)	(11)	(32)	(21)	11
	<u>39,304</u>	<u>46,986</u>	(7,682)	<u>39,304</u>	<u>46,986</u>	(7,682)

The unaudited Condensed Consolidated Income Statement 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.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

	UNAUDITED AS AT 31 MAR 2023 RM '000	AUDITED AS AT 31 DEC 2022 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	32,070	17,227
Investment properties	23,652	23,652
Goodwill	25,576	25,576
Investment in a joint venture	685	545
Inventories	199,253	203,849
	<u>281,236</u>	<u>270,849</u>
Current assets		
Inventories	550,827	472,042
Trade receivables	196,105	245,413
Other receivables, deposits and prepayments	78,992	68,630
Contract assets	322,349	277,800
Tax recoverable	2,763	-
Deposits with licensed banks	62,869	58,213
Cash and bank balances	281,828	383,583
	<u>1,495,733</u>	<u>1,505,681</u>
TOTAL ASSETS	<u>1,776,969</u>	<u>1,776,530</u>
EQUITY AND LIABILITIES		
Share capital	333,171	333,171
Other reserves	(9,829)	(8,630)
Retained earnings	730,944	691,608
Equity attributable to owners of the Company	1,054,286	1,016,149
Non-controlling interests	(24)	8
TOTAL EQUITY	<u>1,054,262</u>	<u>1,016,157</u>
Non-current liabilities		
Borrowings	177,578	188,605
Lease liabilities	4,754	4,470
Deferred tax liabilities	1,894	1,121
	<u>184,226</u>	<u>194,196</u>
Current liabilities		
Trade payables	104,848	178,811
Other payables and accruals	242,164	186,915
Contract liabilities	7,852	3,053
Borrowings	181,287	190,704
Lease liabilities	2,330	2,424
Tax liabilities	-	4,270
	<u>538,481</u>	<u>566,177</u>
TOTAL LIABILITIES	<u>722,707</u>	<u>760,373</u>
TOTAL EQUITY AND LIABILITIES	<u>1,776,969</u>	<u>1,776,530</u>
Net Assets per ordinary share (RM)	1.26	1.27

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	← Non-Distributable →		Distributable	Non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Other reserve RM'000	Retained earnings RM'000		
As at 1 January 2023	333,171	(8,630)	691,608	8	1,016,157
Profit/(loss) for the period	-	-	39,336	(32)	39,304
Transaction with owners of the Company:					
Share-based payments/transactions	-	328	-	-	328
RCPS dividend paid/payable during the period	-	(1,527)	-	-	(1,527)
As at 31 March 2023	<u>333,171</u>	<u>(9,829)</u>	<u>730,944</u>	<u>(24)</u>	<u>1,054,262</u>
As at 1 January 2022	314,551	(1,700)	567,777	(5)	880,623
Profit/(loss) for the period	-	-	47,007	(21)	46,986
Transaction with owners of the Company:					
Share-based payments/transactions	-	877	-	-	877
Dividend paid to the shareholders of the Company	-	-	(29,305)	-	(29,305)
RCPS dividend paid/payable during the period	-	(1,561)	-	-	(1,561)
Conversion of Warrant B	18,620	-	-	-	18,620
As at 31 March 2022	<u>333,171</u>	<u>(2,384)</u>	<u>585,479</u>	<u>(26)</u>	<u>916,240</u>

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	(UNAUDITED) 3 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 23 TO 31 MAR 23 RM '000	(UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 22 TO 31 MAR 22 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Pofit before tax	53,097	65,117
Adjustments for :		
Accreation of interest income on deferred other receivable	-	(219)
Depreciation of property, plant and equipment	1,076	693
Gain on disposal of property, plant and equipment	(163)	(139)
Gain on remeasurement of lease liabilities	(381)	(367)
Revaluation surplus on property, plant and equipment	(4,777)	-
Interest expenses	4,784	3,352
Interest income	(1,697)	(543)
Share of results of a joint venture	(139)	-
Share based payment expenses	328	877
Operating profit before working capital changes	52,128	68,771
Inventories	(83,213)	(10,891)
Contract assets	(39,750)	(20,597)
Receivables	89,397	(43,207)
Payables	(18,729)	29,890
Cash generated from operations	(167)	23,966
Interest received	1,697	543
Interest paid	(4,771)	(2,863)
Income tax paid	(20,053)	(19,785)
Net cash (used in)/generated from operating activities	(23,294)	1,861
CASH FLOWS USED IN INVESTING ACTIVITIES		
Deposit paid for lands held for future development	(44,057)	(38,385)
Purchase of property, plant and equipment	(7,291)	(1,016)
Proceeds from disposal of property, plant and equipment	323	139
Net cash used in investing activities	(51,025)	(39,262)
CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES		
Dividend paid to RCPS holders	(1,527)	(1,561)
Dividend paid to shareholders	-	(29,306)
Proceeds from conversion of warrant B	-	18,620
Drawdown/(Repayment) of borrowings	(20,554)	36,286
Payment for the principal portion of lease liabilities	(699)	(460)
Increase in fixed deposit pledged	(215)	(17,019)
Net cash (used in)/generated from financing activities	(22,995)	6,560
NET DECREASE IN CASH AND CASH EQUIVALENTS	(97,314)	(30,841)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	409,647	225,778
CASH AND CASH EQUIVALENTS AT END OF PERIOD	312,333	194,937

The unaudited Condensed Consolidated Statement of Cashflow 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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (Cont'd)**

	(UNAUDITED) 3 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 23 TO 31 MAR 23 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 22 TO 31 MAR 22 RM'000
Cash and cash equivalent comprises:		
Cash and bank balances	273,901	164,583
Fixed deposits with licensed banks	62,869	24,687
Short term investments	7,927	26,271
	<u>344,697</u>	<u>215,541</u>
Less:		
Fixed deposits pledged with licensed banks	(32,364)	(20,604)
	<u>312,333</u>	<u>194,937</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 2022 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 2022 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)

	Effective date
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 2022.

A5. Auditors' Report on Preceding Annual Financial Statements

The Auditors' report on the financial statements for the year ended 31 December 2022 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.

A9. Debt and equity securities

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.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 March 2023

	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	148,167	115	26,869	6	5,795	180,952
Inter-segment revenue	4,186	90,601	23,866	90	(118,743)	-
Total revenue	152,353	90,716	50,735	96	(112,948)	180,952
Gross profit	54,071	(11)	1,622	(45)	10,843	66,480
Other income	39,307	802	248	32,459	(64,157)	8,659
Administrative expenses	(8,612)	(1,730)	(759)	(3,270)	2,216	(12,155)
Selling and marketing expenses	(5,345)	-	-	-	103	(5,242)
Other expenses	-	-	-	-	-	-
Finance costs	(4,630)	(155)	(152)	(706)	859	(4,784)
Share of result of associates	-	-	-	-	139	139
Profit/(loss) before tax	74,791	(1,094)	959	28,438	(49,997)	53,097
Taxation	-	-	-	-	-	(13,793)
Profit after tax	-	-	-	-	-	39,304

Financial period ended 31 March 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	149,037	8,499	34,294	-	920	192,750
Inter-segment revenue	6,789	71,395	(1,294)	-	(76,890)	-
Total revenue	155,826	79,894	33,000	-	(75,970)	192,750
Gross profit	64,734	3,080	2,361	-	11,967	82,142
Other income	2,455	160	175	32,616	(32,539)	2,867
Administrative expenses	(7,863)	(1,415)	(574)	(2,775)	2,635	(9,992)
Selling and marketing expenses	(6,756)	-	-	-	209	(6,547)
Other expenses	(1)	-	-	-	-	(1)
Finance costs	(3,339)	(20)	(90)	(2,892)	2,989	(3,352)
Profit/(loss) before tax	49,230	1,805	1,872	26,949	(14,739)	65,117
Taxation	-	-	-	-	-	(18,131)
Profit after tax	-	-	-	-	-	46,986

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 15 May 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 RM394.34 million.

A16. Related party transactions

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

	1st Quarter ended
	31 March 2023
	RM '000
Rental paid	459
Rental received	(437)
Sale of material	(2,158)
	<u>(2,158)</u>

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 2022.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review

	1st Quarter ended 31 Mar 2023 RM '000	1st Quarter ended 31 Mar 2022 RM '000	Changes Increase / (Decrease) RM '000	%
Revenue				
Property development	148,167	149,037	(870)	(0.6)
Construction	115	8,499	(8,384)	(98.6)
Trading	26,875	34,294	(7,419)	(21.6)
<i>Intra-group elimination</i> *	5,795	920	4,875	529.9
Total revenue	180,952	192,750	(11,798)	(6.1)
Profit/(loss) before tax				
Property development	74,791	49,230	25,561	51.9
Construction	(1,094)	1,805	(2,899)	(160.6)
Trading	959	1,872	(913)	(48.8)
Investment holding	28,438	26,949	1,489	5.5
<i>Intra-group elimination</i> *	(49,997)	(14,739)	35,258	(239.2)
Total profit before tax	53,097	65,117	(12,020)	(18.5)

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

For the current financial quarter ended 31 March 2023, the Group recorded a revenue of RM180.95 million representing a decrease of 6.1% as compared to preceding year corresponding quarter's revenue of RM192.75 million. The decrease in revenue from the property development segment was due to slower recognition of project revenue mainly from BBSAP Fasa 2D, 3A and 3C as the completion for both phases are reaching tail end. Newly launched project namely BBSAP Fasa 4A, Lagenda Tropica, Lagenda Teluk Intan Fasa 3B and Darulaman Lagenda Phase 1 and 2 has started to contribute towards the revenue stream gradually as these project are still in the early stage of their respective construction milestone. Increase in profit before tax from the development segment were mainly due to the issuance of a dividend from a subsidiary amounting to RM29.5 million which subsequently being eliminated within the group.

The decrease in construction revenue from RM8.5 million to RM0.1 million for the quarter under review was due to near completion of a construction project compared to preceding year corresponding quarter.

Revenue and the profit before tax from trading segment has decrease slightly to RM26.9 million and RM1.0 million respectively, this was mainly due to lower sales and slight increase in administrative cost during the quarter under review.

The Group recorded a profit before tax of RM53.10 million in the current financial quarter as compared to the profit before tax of RM65.12 million in the preceding year corresponding quarter. The decrease in profit before tax was mainly due to near 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 RM29.5 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

	1st Quarter ended 31 Mar 2023 RM '000	4th Quarter ended 31 Dec 2022 RM '000	Changes Increase / (Decrease) RM '000	%
Revenue				
Property development	148,167	187,546	(39,379)	(21.0)
Construction	115	4,411	(4,296)	(97.4)
Trading	26,875	25,715	1,160	4.5
<i>Intra-group elimination</i> *	5,795	18,393	(12,598)	(68.5)
Total revenue	180,952	236,065	(55,113)	(23.3)
Profit/(loss) before tax				
Property development	74,791	77,383	(2,592)	(3.3)
Construction	(1,094)	(646)	448	(69.3)
Trading	959	1,282	(323)	(25.2)
Investment holding	28,438	25,832	2,606	10.1
<i>Intra-group elimination</i> *	(49,997)	(38,403)	11,594	(30.2)
Total profit before tax	53,097	65,448	(12,351)	(18.9)

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

For the current financial quarter ended 31 March 2023, the Group's revenue had decreased to RM180.95 million as compared to RM236.07 million reported in the immediate preceding quarter. The decrease in total group revenue was mainly contributed from property development segment which BBSAP Fasa 3A, 2D, 3C and Taman Bemban Jaya has a lower contribution of revenue due to the near completion of these project while newer project namely Lagenda Teluk Intan Fasa 3B and Darulaman Lagenda Phase 1 and 2 are gaining momentum on their respective construction progress. Profit before tax from the development segment amounting to RM74.8 mil consist of an issuance of a dividend from a subsidiary amounting to RM29.5 million which subsequently being eliminated within the group.

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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)

The decrease in construction revenue from RM4.4 million to RM0.1 million for the quarter under review was to near completion of a construction project compared to preceding year corresponding quarter. Increase in loss before tax in the construction segment was mainly due to diminishing revenue and near completion of the construction project.

For the current quarter under review, revenue from the Trading segment has increase by 4.5% to RM26.9 million mainly due to increase of trading activities to cope with the Group's project launching.

The Group recorded a decrease in profit before tax amounting to RM53.10 million in the current financial quarter as compared to the profit before tax of RM65.45 million in the immediate preceding quarter mainly due to the near completion of our development project as mentioned above.

B3. Commentary on prospects

In 1Q 2023, Lagenda Properties Berhad reported a PATAMI of RM39.3 million, compared to RM47.0 million in the corresponding quarter of the previous year (1Q 2022). Although revenue and profit recognition were better in 1Q2022 due to the progress made on BBSAP 2D and 3A, we anticipate a ramp-up of construction activities in Lagenda Tropika and Darulaman Lagenda (Kedah) during the later half of this year, which will accelerate our progress billing for these key projects and correspondingly provide significant contribution to both the top and bottom lines.

We recorded a significant surge in confirmed sales during 1Q 2023, reaching RM257.4 million, representing an impressive 78% year-on-year increase. This growth was primarily driven by conversions of bookings in Darulaman Lagenda. Our revenue visibility for 2023 is further strengthened by unbilled sales amounting to RM781.8 million, which will mostly be recognised as revenue by the end of the year as construction activities escalate across various projects, while new bookings of RM433.0 million as of 31 March 2023 provide a solid pipeline for future sales conversion.

Looking forward, momentum will accelerate in the coming months as part of the plan to launch over 7,000 homes across Perak, Kedah, and Johor this year, surpassing the 4,800 units launched in 2022. We firmly believe that affordable living is not just a passing trend but a fundamental necessity that transcends economic cycles and market fluctuations.

Barring any 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 Mar 2023 RM '000	Preceding Year Quarter 31 Mar 2022 RM '000	Current Year To Date 31 Mar 2023 RM '000	Preceding Year To Date 31 Mar 2022 RM '000
Deferred tax liabilities	(773)	(2,452)	(773)	(2,452)
Taxation	(13,020)	(15,679)	(13,020)	(15,679)
Tax expenses	(13,793)	(18,131)	(13,793)	(18,131)
Effective tax rate	26.0%	27.8%	26.0%	27.8%

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.

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 Mar 2023 RM'000	Preceding year 31 Mar 2022 RM'000
Current		
Revolving Credits	153,972	10,000
Banker's acceptance	-	56,738
Term loans	27,315	17,611
	181,287	84,349
Non-current		
Term loans	177,578	151,961
	358,865	236,310

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

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 Acquisition was completed on 31 March 2023 via a full settlement of the purchase consideration.

- (b) On 13 February 2023, Lagenda Mersing Sdn Bhd (“LMSB”) a 70% owned subsidiary of LPB Development Sdn. Bhd., which in turn a wholly-owned subsidiary of LPB, had entered into a conditional sales and purchase agreement with Seriemas Development Sdn. Bhd. (“SDSB”) 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 2nd quarter of 2024.

On 10 April 2023, on behalf of the Board of Directors of LPB, UOB Kay Hian Securities (M) Sdn Bhd being the principal advisor had announced that a plot of land measuring 4.994 acres is not owned by SDSB after conducting a land survey. As a result thereof, LMSB had, on 7 March 2023, submitted the land survey findings to the SDSB and requested for concurrence from SDSB on the exclusion of the third party property from the final size of the subject lands. On 29 March 2023, the Vendor concurred on the exclusion of the 3rd party property. Therefore the revised land size shall be adjusted to 1,070.49 acres and the revised purchase consideration of Proposed Acquisition 2 will be RM396,358,146.36 and it is subject to further confirmation by the Vendor which will be given upon the unconditional date of the sales and purchase agreement.

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

There was no dividend declared during the quarter under review.

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 Mar 2023 Quarter	Preceding Year 31 Mar 2022 Quarter	Current Year 31 Mar 2023 To Date	Preceding Year 31 Mar 2022 To Date
Profit net of tax attributable to owners of the parent (RM'000)	<u>39,336</u>	<u>47,007</u>	<u>39,336</u>	<u>47,007</u>
Basic Weighted average number of ordinary share in issue ('000)	<u>837,327</u>	<u>834,738</u>	<u>837,327</u>	<u>834,738</u>
Basic earning per share (EPS) (sen)	<u>4.70</u>	<u>5.63</u>	<u>4.70</u>	<u>5.63</u>

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B11. Earnings per share (Cont'd)

(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 Mar 2023 Quarter	Preceding Year 31 Mar 2022 Quarter	Current Year 31 Mar 2023 To Date	Preceding Year 31 Mar 2022 To Date
Profit net of tax attributable to owners of the parent (RM'000)	<u>39,336</u>	<u>47,007</u>	<u>39,336</u>	<u>47,007</u>
Weighted average number of ordinary share in issue ('000)	<u>973,239</u>	<u>1,009,113</u>	<u>973,239</u>	<u>1,009,113</u>
Diluted earning per share (EPS) (sen)	<u>4.04</u>	<u>4.66</u>	<u>4.04</u>	<u>4.66</u>

B12. Notes to the Statement of Comprehensive Income

	Current Quarter 31 Mar 2023 RM '000	Preceding Year Quarter 31 Mar 2022 RM '000
Accretion of interest income on deferred other receivables	4	219
Gain on disposal of property, plant and equipment	163	139
Gain on remeasurement of lease liabilities	-	367
Gain on revaluation of property, plant and equipment	4,777	-
Interest income	1,701	543
Rental income	567	713
Auditors' remuneration	(98)	(85)
Depreciation of property, plant and equipment	(1,076)	(693)
Employee share-based payment	(328)	(877)
Interest expenses on:		
- accretion of interest on contingent consideration	-	(489)
- banker's acceptance	(19)	(71)
- bank guarantee commission	(17)	(10)
- lease liabilities	(93)	(69)
- term loan	<u>(4,655)</u>	<u>(2,712)</u>

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 22 May 2023.