

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Note	(UNAUDITED)			(UNAUDITED)		
		INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
		1 JUL 2023 to 30 SEP 2023	1 JUL 2022 to 30 SEP 2022		1 JAN 2023 to 30 SEP 2023	1 JAN 2022 to 30 SEP 2022	
Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000				
Revenue		217,892	180,719	37,173	595,227	632,015	(36,788)
Cost of sales		(134,638)	(118,380)	16,258	(376,045)	(397,127)	(21,082)
Gross Profit		83,254	62,339	20,915	219,182	234,888	(15,706)
Other income		4,627	13,116	(8,489)	22,076	19,852	2,224
Administrative expenses		(16,641)	(11,992)	4,649	(43,040)	(38,963)	4,077
Selling and marketing expenses		(6,893)	(7,319)	(426)	(17,390)	(19,846)	(2,456)
Other expenses		(796)	-	796	(7,338)	(1)	7,337
Finance costs		(5,806)	(4,083)	1,723	(15,959)	(10,547)	5,412
Share of result of associate, net of tax		123	(21)	144	583	(21)	604
Profit before tax		57,868	52,040	5,828	158,114	185,362	(27,248)
Tax expense	B5	(19,313)	(16,429)	2,884	(47,222)	(52,409)	(5,187)
Profit net of tax, representing total comprehensive income for the period		38,555	35,611	2,944	110,892	132,953	(22,061)
Earnings per share (EPS) (in sen)							
Basic		4.63	4.27		13.29	15.91	
Diluted		4.00	3.57		11.47	13.29	

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)			(UNAUDITED)		
	INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
	1 JUL 2023 to 30 SEP 2023	1 JUL 2022 to 30 SEP 2022		1 JAN 2023 to 30 SEP 2023	1 JAN 2022 to 30 SEP 2022	
	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	38,555	35,611	2,944	110,892	132,953	(22,061)
Total comprehensive income for the period	<u>38,555</u>	<u>35,611</u>	2,944	<u>110,892</u>	<u>132,953</u>	(22,061)
Total comprehensive income attribute to :						
Owner of the Company	38,774	35,728	3,046	111,298	133,118	(21,820)
Non-controlling Interest	(219)	(117)	102	(406)	(165)	241
	<u>38,555</u>	<u>35,611</u>	2,944	<u>110,892</u>	<u>132,953</u>	(22,061)

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 30 SEPTEMBER 2023**

	UNAUDITED AS AT 30 SEP 2023 RM'000	AUDITED AS AT 31 DEC 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,136	17,227
Investment properties	23,652	23,652
Goodwill	25,576	25,576
Investment in a joint venture	1,129	545
Inventories	270,084	203,849
	<u>352,577</u>	<u>270,849</u>
Current assets		
Inventories	522,224	472,042
Trade receivables	273,399	245,413
Other receivables, deposits and prepayments	100,060	68,630
Contract assets	270,114	277,800
Tax recoverable	1,125	-
Deposits with licensed banks	67,197	58,213
Cash and bank balances	289,349	383,583
	<u>1,523,468</u>	<u>1,505,681</u>
TOTAL ASSETS	<u><u>1,876,045</u></u>	<u><u>1,776,530</u></u>
EQUITY AND LIABILITIES		
Share capital	333,171	333,171
Other reserves	(13,936)	(8,630)
Retained earnings	748,480	691,608
Equity attributable to owners of the Company	1,067,715	1,016,149
Non-controlling interests	(398)	8
TOTAL EQUITY	<u>1,067,317</u>	<u>1,016,157</u>
Non-current liabilities		
Borrowings	138,680	188,605
Lease liabilities	5,195	4,470
Deferred tax liabilities	4,459	1,121
	<u>148,334</u>	<u>194,196</u>
Current liabilities		
Trade payables	188,383	178,811
Other payables and accruals	195,632	186,915
Contract liabilities	10,178	3,053
Borrowings	263,888	190,704
Lease liabilities	2,313	2,424
Tax liabilities	-	4,270
	<u>660,394</u>	<u>566,177</u>
TOTAL LIABILITIES	<u>808,728</u>	<u>760,373</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,876,045</u></u>	<u><u>1,776,530</u></u>
Net Assets per ordinary share (RM)	1.28	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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	← Non-Distributable →		→ Distributable		
	Share capital RM '000	Other reserve RM '000	Retained earnings RM '000	Non- controlling interests RM '000	
As at 1 January 2023	333,171	(8,630)	691,608	8	1,016,157
Profit/(loss) for the period	-	-	111,298	(406)	110,892
Transaction with owners of the Company:					
Share-based payments/transactions	-	983	-	-	983
Dividend paid to the shareholders of the Company	-	-	(54,426)	-	(54,426)
RCPS dividend paid/payable during the period	-	(6,289)	-	-	(6,289)
As at 30 September 2023	<u>333,171</u>	<u>(13,936)</u>	<u>748,480</u>	<u>(398)</u>	<u>1,067,317</u>
As at 1 January 2022	314,551	(1,700)	567,777	(5)	880,623
Profit/(loss) for the period	-	-	133,118	(165)	132,953
Transaction with owners of the Company:					
Additional investment in a subsidiary	-	-	-	45	45
Share-based payments/transactions	-	2,632	-	-	2,632
Dividend paid to the shareholders of the Company	-	-	(54,426)	-	(54,426)
RCPS dividend paid/payable during the period	-	(6,324)	-	-	(6,324)
Conversion of Warrant B	18,620	-	-	-	18,620
As at 30 September 2022	<u>333,171</u>	<u>(5,392)</u>	<u>646,469</u>	<u>(125)</u>	<u>974,123</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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	(UNAUDITED) 9 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 23 TO 30 SEP 23 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 22 TO 30 SEP 22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Pofit before tax	158,114	185,362
Adjustments for :		
Accreation of interest income on deferred other receivable	-	(588)
Depreciation of property, plant and equipment	3,578	2,350
Bargain purchase on acquisition of a subsidiary	-	(7,632)
Gain on disposal of property, plant and equipment	(173)	(139)
Loss on remeasurement of lease liabilities	-	277
Revaluation surplus on property, plant and equipment	(4,777)	-
Interest expenses	15,959	10,547
Interest income	(3,785)	(1,880)
Share of results of associates	-	21
Share of results of a joint venture	(583)	-
Share based payment expenses	983	2,632
Operating profit before working capital changes	169,316	190,950
Inventories	(130,218)	(95,548)
Contract assets	14,811	(34,371)
Receivables	2,413	(81,136)
Payables	18,154	109,826
Cash generated from operations	74,476	89,721
Interest received	3,785	1,880
Interest paid	(15,824)	(9,962)
Income tax refunded	60	-
Income tax paid	(49,340)	(61,955)
Net cash generated from operating activities	13,157	19,684
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in subsidiaries	-	45
Deposit paid for properties	(5,200)	-
Deposit paid for lands held for future development	(50,343)	(34,055)
Acquisition of a subsidiary, net of cash flow	-	(17,322)
Purchase of property, plant and equipment	(3,614)	(4,953)
Proceeds from disposal of property, plant and equipment	445	139
Net cash used in investing activities	(58,712)	(56,146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to RCPS holders	(6,289)	(6,324)
Dividend paid to shareholders	(54,426)	(54,426)
Proceeds from conversion of warrant B	-	18,620
Drawdown of borrowings	23,259	243,577
Payment for the principal portion of lease liabilities	(2,240)	(1,572)
Increase in fixed deposit pledged	(10,474)	(30,400)
Net cash (used in)/generated from financing activities	(50,170)	169,475
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(95,725)	133,013
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	409,647	225,778
CASH AND CASH EQUIVALENTS AT END OF PERIOD	313,922	358,791

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023 (Cont'd)

	(UNAUDITED) 9 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 23 TO 30 SEP 23 RM '000	(UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 22 TO 30 SEP 22 RM '000
Cash and cash equivalent comprises:		
Cash and bank balances	236,767	315,324
Fixed deposits with licensed banks	67,197	58,033
Short term investments	52,582	19,419
	<u>356,546</u>	<u>392,776</u>
Less:		
Fixed deposits pledged with licensed banks	(42,624)	(33,985)
	<u>313,922</u>	<u>358,791</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

On 25 September 2023, the Company paid a single-tier interim dividend of 3.0 sen per ordinary shares amounting to RM25,119,815 in respect of the financial year ended 31 December 2023.

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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 30 September 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	461,106	47,399	86,711	11	-	595,227
Inter-segment revenue	11,646	259,800	71,583	59,770	(402,799)	-
Total revenue	472,752	307,199	158,294	59,781	(402,799)	595,227
Gross profit	168,267	31,230	8,248	59,627	(48,190)	219,182
Other income	87,803	2,574	689	9,541	(78,531)	22,076
Administrative expenses	(30,876)	(6,267)	(2,566)	(11,278)	7,947	(43,040)
Selling and marketing expenses	(16,566)	-	-	-	(824)	(17,390)
Other expenses	(7,338)	-	-	-	-	(7,338)
Finance costs	(20,861)	(735)	(785)	(1,906)	8,328	(15,959)
Share of result of associates	-	-	-	-	583	583
Profit/(loss) before tax	180,429	26,802	5,586	55,984	(110,687)	158,114
Taxation						(47,222)
Profit after tax						110,892

Financial period ended 30 September 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	508,569	26,854	96,592	-	-	632,015
Inter-segment revenue	21,316	209,984	6,149	55,000	(292,449)	-
Total revenue	529,885	236,838	102,741	55,000	(292,449)	632,015
Gross profit	205,950	40,222	6,169	55,000	(72,453)	234,888
Other income	20,767	488	652	7,942	(9,997)	19,852
Administrative expenses	(24,055)	(4,859)	(2,015)	(9,894)	1,860	(38,963)
Selling and marketing expenses	(20,067)	-	-	-	221	(19,846)
Other expenses	(1)	-	-	-	-	(1)
Finance costs	(11,094)	(380)	(485)	(7,873)	9,285	(10,547)
Share of result of associates	-	-	-	-	(21)	(21)
Profit/(loss) before tax	171,500	35,471	4,321	45,175	(71,105)	185,362
Taxation						(52,409)
Profit after tax						132,953

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A12. Valuation of property, plant and equipment

There was no revaluation of property for the current financial quarter under review.

A13. Subsequent events

There were no significant events subsequent to the end of this financial quarter up to 10 November 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 period 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 RM550.18 million.

A16. Related party transactions

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

	3rd Quarter ended 30 September 2023 RM '000
Rental paid	1,464
Rental received	(1,275)
Sale of material	<u>(6,548)</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

	3rd Quarter ended 30 Sep 2023 RM '000	3rd Quarter ended 30 Sep 2022 RM '000	Changes Increase / (Decrease) RM '000	%
Revenue				
Property development	160,425	140,974	19,451	13.8
Construction	112,653	88,313	24,340	27.6
Trading	88,694	63,756	24,938	39.1
<i>Intra-group elimination</i> *	(143,880)	(112,324)	31,556	(28.1)
Total revenue	217,892	180,719	37,173	20.6
Profit/(loss) before tax				
Property development	67,111	51,828	15,283	29.5
Construction	9,544	11,233	(1,689)	(15.0)
Trading	1,798	1,673	125	7.5
Investment holding	29,280	21,642	7,638	35.3
<i>Intra-group elimination</i> *	(49,865)	(34,336)	15,529	(45.2)
Total profit before tax	57,868	52,040	5,828	11.2

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

For the current financial quarter ended 30 September 2023, the Group recorded a revenue of RM217.89 million representing an increase of 20.6% as compared to preceding year corresponding quarter's revenue of RM180.72 million. The increase in revenue from the property development segment was due to newly launched projects namely Darulaman Lagenda Phases 1, 2 and 3, Taman Mulia Phase 3, BBSAP Fasa 4B and Lagenda Teluk Intan Fasa 3B.

The increase in construction revenue to RM112.65 million comparing to last year corresponding quarter was mainly due to increased in construction activities namely, Lagenda Teluk Intan Fasa 3A, Darulaman Lagenda Phases 1, 2 and 3, BBSAP Fasa 4B and Lagenda Teluk Intan Fasa 3B.

Revenue and the profit before tax from trading segment has increase to RM88.69 million and RM1.80 million respectively, this is mainly due to higher demand from the trading segment.

The Group recorded a profit before tax of RM57.87 million in the current financial quarter as compared to the profit before tax of RM52.04 million in the preceding year corresponding quarter. The increase in profit before tax was mainly due to improvement and contribution from the Property Development segment as sales conversion improved.

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

	3rd Quarter ended 30 Sep 2023 RM '000	2nd Quarter ended 30 Jun 2023 RM '000	Changes Increase / (Decrease) RM '000	%
Revenue				
Property development	160,425	159,976	449	0.3
Construction	112,653	103,829	8,824	8.5
Trading	88,694	49,050	39,644	80.8
<i>Intra-group elimination</i> *	(143,880)	(116,472)	27,408	(23.5)
Total revenue	217,892	196,383	21,509	11.0
Profit/(loss) before tax				
Property development	67,111	36,996	30,115	81.4
Construction	9,544	9,406	(138)	(1.5)
Trading	1,798	1,660	138	8.3
Investment holding	29,280	(1,824)	31,104	(1,705.3)
<i>Intra-group elimination</i> *	(49,865)	911	50,776	5,573.7
Total profit before tax	57,868	47,149	10,719	22.7

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

For the current financial quarter ended 30 September 2023, the Group's revenue had increased to RM217.89 million as compared to RM196.38 million reported in the immediate preceding quarter. The increase in revenue was mainly due to higher sales conversion and higher completion of project workdone on the newly launched projects compared to the immediate preceding quarter. Profit before tax from Property Development segment has increased from RM37.0 million to RM67.11 million mainly due to the recognition of an one-off intercompany dividend income amounting to RM30.00 million which was eliminated internally during the immediate preceding quarter.

The increase in construction revenue from RM103.83 million to RM112.65 million for the quarter under review was mainly due to increased in construction activities namely Lagenda Teluk Intan Fasa 3B and Darulaman Lagenda.

For the current quarter under review, revenue from the Trading segment has increased by 80.8% to RM88.69 million mainly due to higher demand from the trading segment.

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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 Group recorded a increase in profit before tax amounting to RM57.87 million in the current financial quarter as compared to the profit before tax of RM47.15 million in the immediate preceding quarter mainly due to Group's revenue recorded an increase of 11.0% to RM217.89 million due to increasing contribution from the Property Development segment compared to the immediate preceding quarter.

B3. Commentary on prospects

Our results for 3Q 2023 began to show a positive trajectory having successfully transitioned to Industrialised Building Systems (IBS) for our newer projects in Teluk Intan and Kedah. We are now positioned for accelerated progress in the upcoming quarters as construction activities continue to ramp up. With this, we anticipate a swifter conversion of sales into revenue and profits moving forward.

Lagenda specialises in affordable landed homes with lifestyle facilities, thriving in a market where demand remains consistently strong. Confirmed sales for the first nine months of the year reached RM796.0 million, marking a remarkable 44% increase from the same cumulative period of the previous year and surpassing the total confirmed sales for the entire financial year 2022. Unbilled sales as at 30 September 2023 amounted to RM855.1 million providing visibility in the coming quarters, while bookings of RM297.0 million provide a robust pipeline for future sales. Having recently launched our latest township in Mersing, Johor, we have expanded our presence into three states. The latest launch in Mersing was met with overwhelming demand, demonstrating the evergreen appeal of our townships and reinforcing that we are adopting the right strategies to replicate our success.

Lagenda has a distinctive value proposition and remains confident in our ability to deliver value. Our sizable vacant land bank of almost 4,700 acres with an estimated remaining GDV of above RM12.0 billion provides sustainability of long-term growth. Given these factors and 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 30 Sep 2023 RM '000	Preceding Year Quarter 30 Sep 2022 RM '000	Current Year To Date 30 Sep 2023 RM '000	Preceding Year To Date 30 Sep 2022 RM '000
Deferred tax liabilities	(780)	442	(3,337)	935
Taxation	<u>(18,533)</u>	<u>(16,871)</u>	<u>(43,885)</u>	<u>(53,344)</u>
Tax expenses	<u>(19,313)</u>	<u>(16,429)</u>	<u>(47,222)</u>	<u>(52,409)</u>
Effective tax rate	<u>33.4%</u>	<u>31.6%</u>	<u>29.9%</u>	<u>28.3%</u>

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 30 Sep 2023 RM '000	Preceding year 30 Sep 2022 RM '000
Current		
Revolving Credits	212,995	236,468
Banker's acceptance	8,970	10,857
Term loans	<u>41,923</u>	<u>32,723</u>
	<u>263,888</u>	<u>280,048</u>
Non-current		
Term loans	<u>138,680</u>	<u>163,529</u>
	<u>402,568</u>	<u>443,577</u>

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B7. Corporate Proposals

- (a) 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 sale 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 sale and purchase agreement.

On 10 August 2023, mutually agreed to extend the Conditional Period of the SPA up to 13 November 2023 with the aim to accord the Parties and additional period of 3 months to fulfil the Conditions Precedent.

On 23 October 2023, the Conditions Precedent set out in the SPA has been fulfilled on 23 October 2023, resulting the SPA being unconditional on the even date.

- (b) On 5 September 2023, Lagenda Harta Sdn Bhd (“LHSB”) a wholly-owned subsidiary of LPB, had entered into a sale and purchase agreement with MTrustee Berhad (“MTB”) as the trustee of CapitaLand Malaysia Trust (“CLMT”) for the purpose of acquiring a twelve-storey office building known as “3 Damansara Office Tower”, erected on a piece of freehold land held under Geran 54431/M1/B4/1, No. Petak 1, No. Tingkat B4, No. Bangunan M1, Lot 45821 Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor, bearing postal address of 3 Damansara Office Tower, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Building”) for a total purchase price of RM52,000,000 (“Proposed Acquisition”). Proposed Acquisition is currently conditional and expected to be completed in the month of December 2023.

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 30 Sep 2023 Quarter	Preceding Year 30 Sep 2022 Quarter	Current Year 30 Sep 2023 To Date	Preceding Year 30 Sep 2022 To Date
Profit net of tax attributable to owners of the parent (RM'000)	<u>38,774</u>	<u>35,728</u>	<u>111,298</u>	<u>133,118</u>
Basic Weighted average number of ordinary share in issue ('000)	<u>837,327</u>	<u>836,474</u>	<u>837,327</u>	<u>836,474</u>
Basic earning per share (EPS) (sen)	<u>4.63</u>	<u>4.27</u>	<u>13.29</u>	<u>15.91</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 30 Sep 2023 Quarter	Preceding Year 30 Sep 2022 Quarter	Current Year 30 Sep 2023 To Date	Preceding Year 30 Sep 2022 To Date
Profit net of tax attributable to owners of the parent (RM'000)	<u>38,774</u>	<u>35,728</u>	<u>111,298</u>	<u>133,118</u>
Weighted average number of ordinary share in issue ('000)	<u>970,413</u>	<u>1,001,990</u>	<u>970,413</u>	<u>1,001,990</u>
Diluted earning per share (EPS) (sen)	<u>4.00</u>	<u>3.57</u>	<u>11.47</u>	<u>13.29</u>

B12. Notes to the Statement of Comprehensive Income

	Current Quarter 30 Sep 2023 RM '000	Preceding Year Quarter 30 Sep 2022 RM '000
Accretion of interest income on deferred other receivables	56	150
Bargain purchase on acquisition of a subsidiary	-	7,632
Interest income	823	780
Rental income	585	709
Auditors' remuneration	(115)	(83)
Depreciation of property, plant and equipment	(1,262)	(886)
Employee share-based payment	(328)	(877)
Interest expenses on:		
- accretion of interest on contingent consideration	(135)	(46)
- banker's acceptance	(116)	(150)
- bank guarantee commission	(91)	(94)
- lease liabilities	(113)	(76)
- term loan	(5,350)	(3,718)
Loss on remeasurement of lease liabilities	<u>-</u>	<u>(375)</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 20 November 2023.