LBS

BELIEVE • BECOME • BEHOLD

MOVING

INTEGRATED ANNUAL REPORT 2022

INSIDE THIS REPORT

Integrated Annual Report 2022

MOVING BEYOND

The cover features a typographic design composed of the text LBS to form the word "BEYOND" signifying the group's vision and mandate of "Moving Beyond" to produce market-leading products as well as advancing value for its shareholders. It is a growth story imbued with the DNA of LBS that will launch the group into a new trajectory in building developments that goes above and beyond.

LIST OF ABBREVIATIONS USED IN THIS INTEGRATED ANNUAL REPORT 2022

LBS or the Company
LBS Bina Group Berhad
(200001015875 (518482-H))

LBS Bina
LBS Bina Holdings Sdn Bhd
(198201011456 (91181-K))

LBS Group or the Group
LBS and its subsidiaries

WWW.LBS.COM.MY


CORPORATE VISION
To be an internationally recognised developer, building and inspiring delightful spaces that enhance community living.
CORPORATE MISSION
To consistently deliver exceptional performance through progressive creations, realising value to all stakeholders and enriching communities at large.

KITA @ Cybersouth township, Dengkil

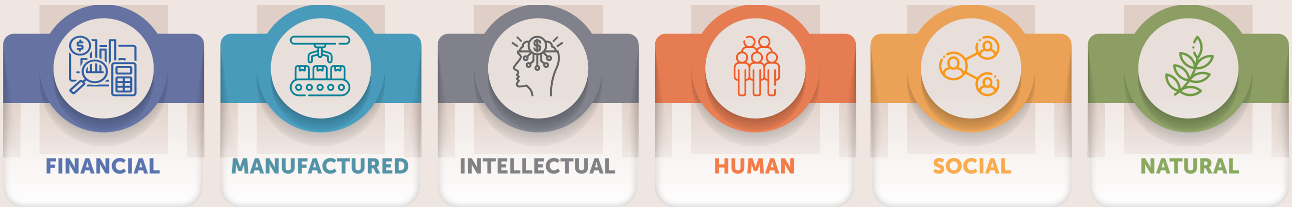
ABOUT THIS REPORT

INTRODUCTION

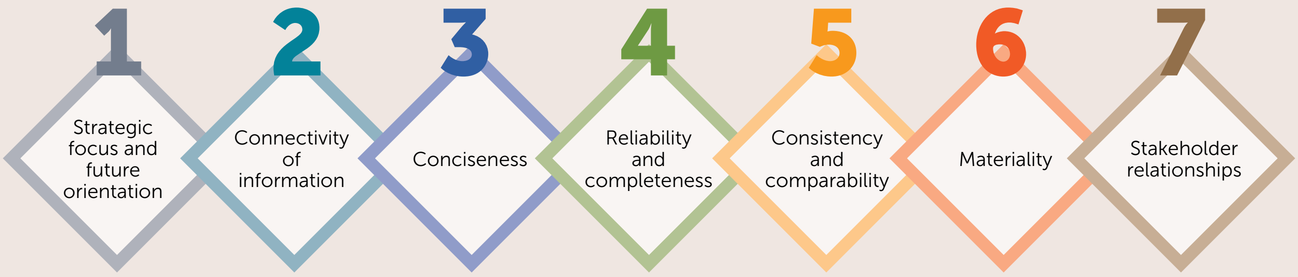
Financial year ended 31 December 2022 ("FY2022") witnessed LBS Bina Group Berhad ("LBS" or "the Group") continue to enhance its financial and non-financial disclosures in accordance to the principles-based framework of Integrated Reporting.

FY2022 is the second year of LBS' adoption of Integrated Reporting. The approach to the LBS Integrated Annual Report 2022 ("IAR2022") is based on providing comprehensive yet concise disclosures as per the six capitals, seven guiding principles and eight content elements of Integrated Reporting .

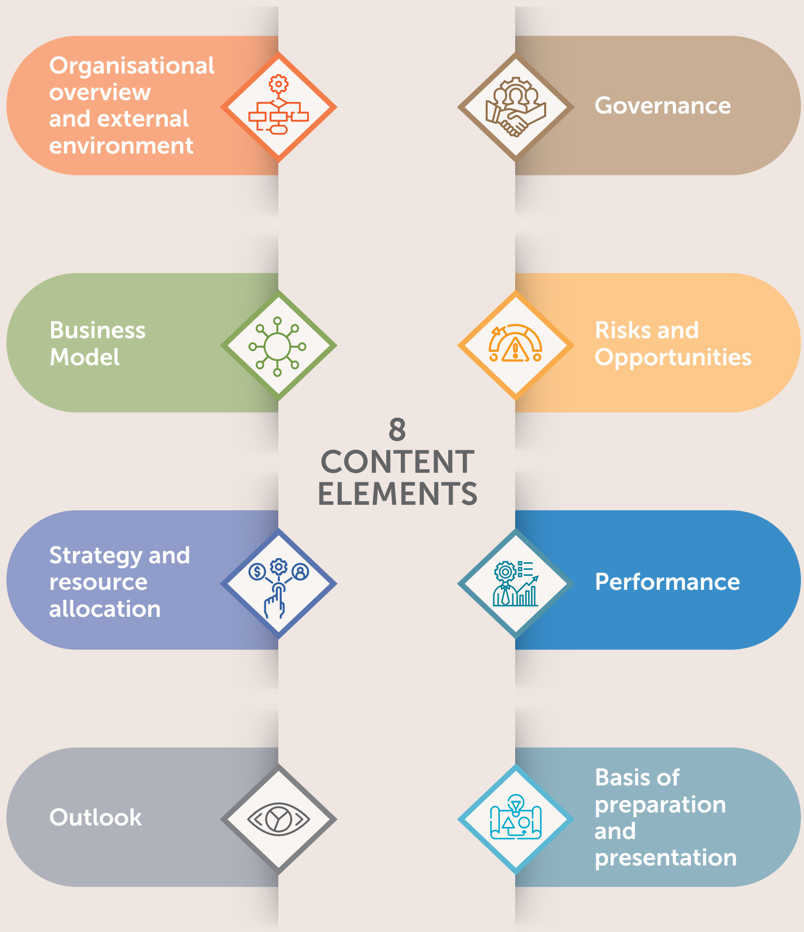
6 CAPITALS



7 GUIDING PRINCIPLES



ABOUT THIS REPORT



The continued adoption of Integrated Reporting is also intended towards enabling a more seamless transition to the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Disclosure ("IFRS S1").

LBS will continue to improve its disclosures in subsequent reports based on the Integrated Reporting framework and IFRS S1 with the intent to demonstrate how the Group's business model enables the creation of financial and non-financial values for stakeholders and remains robust and resilient over the short, medium and long-term perspectives.

SCOPE AND BOUNDARY

IAR2022 is scoped to matters material to the Group's operations, which includes all subsidiaries in which LBS retains management control.

Management control is defined as having direct control in decision-making; in the determination and execution of business strategies, activities, and operational processes.

Excluded are associate which the Group does not have management control of. For more information on the Group's organisational structure, please refer to the Corporate Structure Section.

Pertaining to data and disclosures, LBS has looked into providing comprehensive disclosure by including data on all material topics and information. However, where there are exclusions, this is due to available data or information being immaterial, incomplete or which the veracity and accuracy of such information cannot be verified internally.

TIMEFRAME

Unless otherwise indicated, content for IAR2022 reflects data and activities of LBS from 1 January 2022 to 31 December 2022. Where available and relevant, data is also presented for a period of 3-5 years towards showcasing industry or performance trends.

Kindly refer to the Five Year Financial Highlights for specific information on historical financial performance.

ABOUT THIS REPORT

SUPPORTING REPORTS

In tandem with IAR2022, LBS has published its standalone Sustainability Report 2022 ("SR2022").

LBS' FY2022 Reporting Suite:

INTEGRATED ANNUAL REPORT 2022

SUSTAINABILITY REPORT 2022

The aforementioned reports provide more detailed disclosures as well as specific information pertaining to other aspects of LBS Bina Group's business operations, and serve to provide a more comprehensive perspective of FY2022's performance.

The publishing of the standalone SR2022 is aimed at complementing IAR2022. SR2022 provides a comprehensive reference source for sustainability-related information and supports the presentation of the integrated reporting narrative in a concise format.

SR2022 provides the Group's management approaches for material environmental, social and governance ("ESG") topics as well as 3-year performance data for said topics on a rolling basis.

Where necessary, sustainability-related information have been included in the relevant Integrated Reporting disclosures, or clear references have been made to SR2022.

KITA Mekar, KITA @ Cybersouth township, Dengkil

SR2022 is developed in accordance to globally recognised best practice sustainability reporting frameworks as well as in accordance to the latest framework prescribed by Bursa Malaysia.

ABOUT THIS REPORT

BASIS OF PREPARATION

In developing the value creation narrative for IAR2022, several integrated reporting strategy workshops were held with Senior Management with the purpose of developing integrated thinking; that is a shared perspective of the Group's business model, its capital dependencies, risks and opportunities, value chain as well as future priorities and business orientation.

The workshops were facilitated by a certified Integrated Reporting Guidance and Advisory trainer.

All workshops saw cross-functional participation with decision-makers and data owners from key business functions, units and operational divisions actively participating in the discussions and exercises.

The insights gleaned from these workshops were analysed and leveraged towards developing and refining IAR2022's contents.

LBS Bina Group Berhad Integrated Reporting Strategy Workshop Year Two

This process of conducting workshops shall be continued towards ensuring future integrated reports published by LBS continue to provide readers with a value creation narrative that reflects the current strategic thinking of Management.

DETERMINATION OF CONTENT FOR IAR FY2022

BUSINESS MODEL

- The Group's unique approach to property development
- The Group's value chain
- Its inherent business strengths and competitive advantages
- Its business and operational strategies

CAPITALS CONSUMPTION

- Availability of, and LBS' dependence on capitals
- ESG impacts arising from the consumption of capitals
- Resource allocation strategies over the short, medium and long-term perspectives

MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

- Developments in the external operating environment which impacts the Group's business model, access to markets and capital dependencies
- ESG risks and opportunities

FUTURE ORIENTATION AND STRATEGIC PRIORITIES

- Going beyond past performance based disclosures to cover future business plans and focus areas

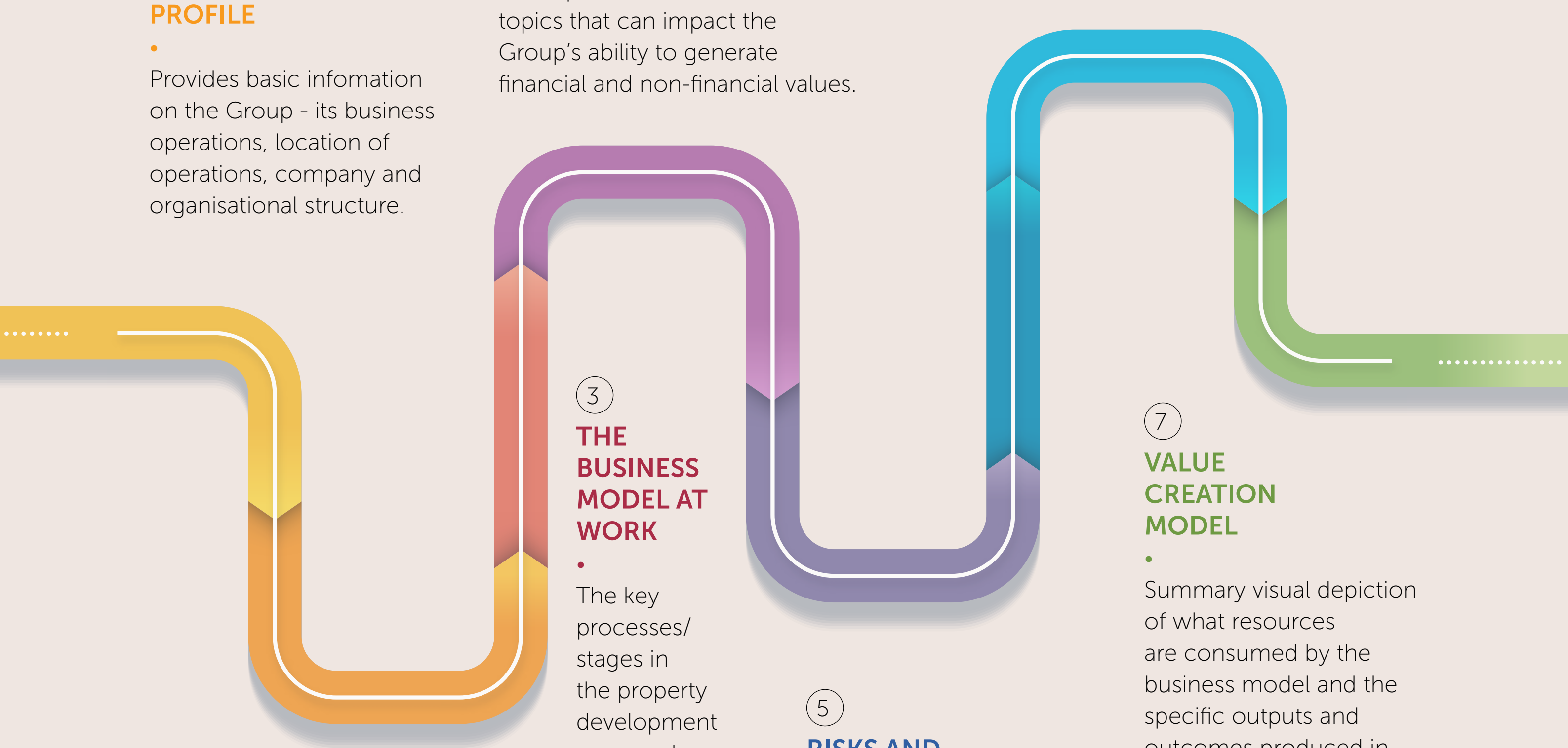
In addition, content for inclusion in IAR2022 was also determined towards ensuring compliance with several global and local reporting frameworks. These include (but are not limited to):

- Companies Act 2016 ("Act")
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2017 ("MCCG 2017")
- Bursa Malaysia Sustainability Reporting Guide – Third Edition
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")

ABOUT THIS REPORT

HOW TO READ THIS REPORT

While readers may opt to read IAR2022 using their own discretion, the following sequence may be useful for readers in better understanding LBS' business model and its integrated reporting narrative:



1

GROUP CORPORATE PROFILE

•

Provides basic infomation on the Group - its business operations, location of operations, company and organisational structure.

2

OUR BUSINESS MODEL

•

Description of LBS' business model; its components, business segments, key strategies and values created.

3

THE BUSINESS MODEL AT WORK

•

The key processes/ stages in the property development process, key considerations at each stage and related business strategies.

4

MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

•

Description of external/ESG topics that can impact the Group's ability to generate financial and non-financial values.

5

RISKS AND MITIGATION

•

Identification of significant risks and provision of mitigation plans and strategies.

6

LEVERAGING OPPORTUNITIES - STRATEGIC PRIORITIES AND FUTURE ORIENTATION

•

Highlights strategic plans and focus areas going forward towards sustaining value creation.

7

VALUE CREATION MODEL

•

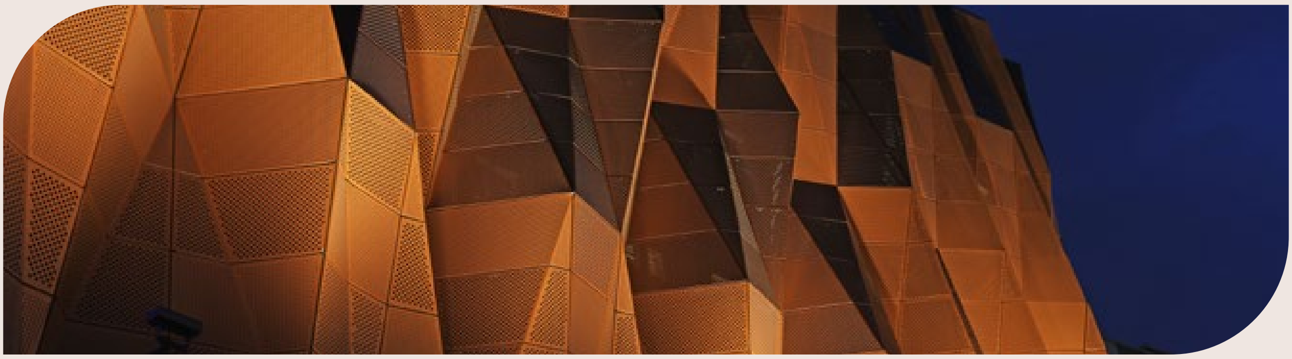
Summary visual depiction of what resources are consumed by the business model and the specific outputs and outcomes produced in FY2022 from a multi-capital perspective.

ABOUT THIS REPORT

USEFUL ICONS

In facilitating reporting conciseness and more seamless connectivity of information, IAR2022 uses various icons to assist readers in navigating between report contents:

CAPITAL ICONS



FORWARD LOOKING STATEMENTS

This report contains forward-looking statements discussing targets, future plans, operations and performance of the Group based on current assumptions and projections.

Such assumptions and projections have been made based on existing information, and the present external operating landscape.

While every care and precaution has been taken to ensure that forward looking statements are as accurate as possible, such statements comprising all assumptions, expectations, forecasts and projections may change in tandem with changes in the operating environment (which are beyond the control of LBS).

New information that comes available to the Group may also necessitate changes in the Group's forward focus planning.

As such, readers are advised to conduct their own due diligence and to not rely solely on the forward looking statements provided in IAR2022. Readers are encouraged to seek clarification from the Group on any matters by contacting the designated investor relations personnel.

FEEDBACK

Feedback, suggestions or enquiries on this report may be sent to: cs@lbs.com.my

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of LBS have applied its collective mind to present a balanced and comprehensive Annual Report based on good governance practices and guided by the Integrated Reporting framework.

The Board also provides assurance that the financial statements audited by Messrs. UHY, were prepared in accordance to the relevant standards and frameworks, including the MFRS and IFRS.

01 GROUP CORPORATE PROFILE

ABOUT LBS

LBS
BELIEVE • BECOME • BEHOLD

LBS BINA GROUP BERHAD

(LBS OR THE GROUP) IS AN INVESTMENT HOLDING COMPANY THAT IS INVOLVED IN PROPERTY DEVELOPMENT AND INVESTMENT ACTIVITIES PRIMARILY IN MALAYSIA AND CHINA. LBS WAS ESTABLISHED IN 1961 WHEN ITS FOUNDER, THE LATE DATO' SERI LIM BOCK SENG, BEGAN UNDERTAKING CONSTRUCTION PROJECTS IN THE TOWNSHIP OF PETALING JAYA. LBS SUBSEQUENTLY WENT ON TO BE LISTED ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD IN JANUARY 2002.

Today, LBS is a trusted developer of residential, industrial and commercial properties. Whether it is their first home, an upgrade to spacious living, or a place for business – we create inspiring and delightful spaces that are motivated by our purchasers' priorities and their lifestyle needs. Through our subsidiaries, we undertake design and construction, as well as trade in building materials, manufacture Industrialised Building System ("IBS") Precast Concrete products and provide civil engineering expertise.

Expansion of our strength is seen through our growing portfolio, which include retail, hospitality and tourism. Moving forward, we intend to continue to prudently diversify our business portfolio so as to create long-term, sustainable value for the Group and our stakeholders including the communities that we operate in.

ABOUT LBS

THE INTERWEAVING LINES PLACED WITHIN THE LBS LOGO SERVE TO SYMBOLISE THE ENDURING BONDS BETWEEN OUR FOUNDER, THE LATE DATO' SERI LIM BOCK SENG AND HIS FOUR SONS.

Together, they have expanded LBS into a leading property group by infusing it with their core values of unity and the pursuit of excellence. The interwoven pattern then expands into an infinite monogram design, representing LBS' mission of consistently delivering an exceptional performance through progressive creations that present value to all stakeholders and enrich communities at large.

LBS Bina Group Berhad headquarters @ Petaling Jaya, Selangor.

OUR BRAND PROMISE

EMPOWERING INDIVIDUALS, ENHANCING COMMUNITIES

Here at LBS, we view our employees, homebuyers and the communities that we have created as part and parcel of the LBS family. We are committed to journeying with them, as well as seeing them empowered to embrace life with all of its opportunities. To this end, we bring our brand promise of "Empowering Individuals, Enhancing Communities" into play.

LBS' workforce comprises talented, experienced and professional individuals who are well versed in a range of fields. Regardless of their area of expertise, we believe in championing and empowering our people to do their jobs to the best of their abilities. Our desire to help shape the future landscape for a better Malaysia is reflected in our social development efforts which are successfully rolled out in our Corporate Social Responsibility initiatives.

In all that we do, we bring people-centric processes into play and refine them regularly to ensure that we meet the needs of individuals and communities for the long-term. At the same time, we ensure our businesses incorporate the necessary operational efficiencies and uphold excellence so that the Group is able to grow in a consistent and sustainable manner.

LBS AT A GLANCE

AS AT 18 APRIL 2023

2.45 SEN DIVIDEND
PER ORDINARY SHARE*

BUILT
MORE THAN
40,000 HOMES

MORE THAN
1,000 EMPLOYEES

LAND BANK
MORE THAN
2,900 ACRES

REVENUE
RM1.72 BILLION
IN YEAR 2022

SALES
RM2 BILLION
IN YEAR 2022

** First interim single-tier dividend of 1.20 sen per ordinary share.*

** Final single-tier dividend of 1.25 sen per ordinary share. Subject to the shareholders' approval.*

LBS is also committed to the following SDGs through its business model and operations:

Please refer to Investors Relations page 108 and the Management Discussion and Analysis page 93 – 103 sections for more information on financial and business performance including dividends.

CORPORATE INFORMATION

As at 18 April 2023

REGISTERED OFFICE

Plaza Seri Setia Level 1-4
No. 1 Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T + 603 7877 7333
F + 603 7877 7111

BUSINESS ADDRESSES

HEAD OFFICE

Plaza Seri Setia Level 1-4
No. 1 Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T + 603 7877 7333
F + 603 7877 7111

REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

[REGISTRATION NO. 197101000970 (11324-H)]
Unit 32-01
Level 32 Tower A
Vertical Business Suite Avenue 3
Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
T + 603 2783 9299
F + 603 2783 9222

SALES OFFICES & GALLERIES

KITA @ CYBERSOUTH

KITA @ Cybersouth Sales Gallery
Cybersouth
43800 Dengkil
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

LBS ALAM PERDANA

Lot 4292
Persiaran Alam Perdana
Bandar Puncak Alam
42300 Bandar Puncak Alam
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

BANDAR SAUJANA PUTRA

No. 2 & 6, Jalan SPU 1
Bandar Saujana Putra
42610 Jenjarom
Kuala Langat
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

D' ISLAND RESIDENCE

No. 2A Jalan Timur 9
D' Island Residence
47130 Puchong
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

BUKIT JALIL

E13 Pusat Bandar Bukit Jalil
Jalan Jalil Utama 2
57000 Kuala Lumpur
Malaysia
Hotline: 1700 81 8998

PRESTIGE RESIDENCE

Jalan LP 7/4 Taman Lestari Perdana
Bandar Putra Permai
43300 Seri Kembangan
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

IPOH

No. 17 Jalan Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Malaysia
T + 605-545 8520
F + 605 545 5111

BRINCHANG SQUARE

B3-31-G Brinchang Square
Jalan Besar Brinchang
39100 Cameron Highlands
Pahang Darul Makmur
Malaysia
T + 605 491 5018
F + 605 491 5020

BAYU HILLS, GENTING HIGHLANDS

Lot 15360 Mukim Bentong
Daerah Bentong
Pahang Darul Makmur
Malaysia
Hotline: 1700 81 8998

PANGSAPURI SAUJANA INDAH, MOLEK

G-15 & 01-15
Jalan Masai Jaya 1
Plentong 81750
Johor Bahru
Johor Darul Takzim
Malaysia
T + 607 355 5511

BATU PAHAT

No. 27-29, Jalan Putera Indah 12/1
Bandar Putera Indah
Tongkang Pechah
83000 Batu Pahat
Johor Darul Takzim
Malaysia
T + 607 445 8899
F + 607 445 8888

AUDITORS

UHY

PRINCIPAL BANKERS/FINANCIERS

Affin Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Bank Kerjasama Rakyat Malaysia Berhad
Bank of China (Malaysia) Berhad
Bank Pembangunan Malaysia Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
Malayan Banking Berhad
MBSB Bank Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad since 30 January 2002
Stock Code : 5789
Stock Name : LBS
Sector : Property

WEBSITE

www.lbs.com.my

CUSTOMER SERVICE

https://helpdesk.lbs.com.my/tickets/open

SOCIAL MEDIA

LBS Bina Group Berhad
lbsbinagroup
@lbsbina
LBS Bina Group
LBS Bina Group
lbsbinagroup

CORPORATE STRUCTURE

As at 18 April 2023

LBS
BELIEVE • BECOME • BEHOLD

- 100% INTELLPLACE HOLDINGS LIMITED *BVI*
  - 100% DRAGON HILL CORPORATION LIMITED *HK*
  - 100% LAMDEAL INVESTMENTS LIMITED *HK*
  - 60% ZHUHAI INTERNATIONAL CIRCUIT LIMITED *PRC*
  - 100% ZHUHAI INTERNATIONAL CIRCUIT PROMOTION (HK) LIMITED *HK*
- 100% LBS BINA HOLDINGS SDN BHD
  - 100% ADIL RESTU SDN BHD
  - 100% ALUNAN PRESTASI SDN BHD
  - 100% ANGSANA ABADI SDN BHD
  - 100% ASTANA MODAL (M) SDN BHD
  - 100% AZAM PERSPEKTIF SDN BHD
  - 100% BENDERA BERLIAN SDN BHD
  - 100% CERGAS ASAL (M) SDN BHD
  - 100% DUTA ABADI SDN BHD
  - 100% EQUAL ALLIANCE SDN BHD
  - 100% EQUAL SIGN SDN BHD
  - 100% FOCAL REMEDY SDN BHD
  - 100% FOKUS AWANA SDN BHD
  - 100% GENERASI NOSTALGIA SDN BHD
  - 100% GENERASI SIMBOLIK SDN BHD
  - 100% GETSTYLE SDN BHD
  - 100% GREEN TECHNOLOGY SOLAR SDN BHD
  - 100% INDERALOKA IMPIAN SDN BHD
  - 100% INTELLVIEW SDN BHD
  - 100% JATIDIRI GIGIH SDN BHD
  - 100% JAUHARI UNGGUL SDN BHD
  - 100% KALIMAH JAYA SDN BHD
    - 100% UTUH SEJAGAT SDN BHD
  - 100% KEMUDI EHSAN SDN BHD
  - 100% KILATLIMA SDN BHD
  - 100% LBS CAPITAL SDN BHD
  - 100% MISI AKTIF SDN BHD
  - 100% MITC SDN BHD
  - 100% PELANGI HOMES SDN BHD
    - 100% RESTU BIDARA SDN BHD
    - 51.92% BIZ BENA DEVELOPMENT SDN BHD
  - 100% PEMBANGUNAN PRIMER SDN BHD
  - 100% PUNCAK GAMA SDN BHD
  - 100% SAGA MEGAH SDN BHD
  - 100% SEPADAN MAJU SDN BHD
  - 100% SERIBU BAIDURI SDN BHD
  - 100% SEJUTA BINA SDN BHD
  - 100% SELOKA SINARAN SDN BHD
  - 100% SINARAN RESTU SDN BHD
    - 100% JUARAPLEX SDN BHD
    - 100% KENDERONG SDN BHD
    - 100% KERANJI BINA SDN BHD
    - 100% LINGKARAN SEMANGAT SDN BHD
    - 100% PACIFIC GRANT SDN BHD
    - 100% SILIBIN JAYA SDN BHD
  - 100% UTUH ASPIRASI SDN BHD
  - 85% JOHAN ANGGUN SDN BHD
  - 85% KOLEKSI SIGMA SDN BHD
  - 70% IRINGAN KEJORA SDN BHD
  - 70% STP DESA PEMBANGUNAN SDN BHD
  - 69% CASA INSPIRASI SDN BHD
    - 100% SERI ALIRAN SDN BHD
  - 61% DATARAN ENIGMA SDN BHD
  - 60% BIMBINGAN SUMBER SDN BHD
  - 51% KIRANA EMAS SDN BHD
  - 51% LBS BORNEO SDN BHD
  - 51% MAYANG JELATEK SDN BHD
  - 51% PANGLIMA RIANG SDN BHD
  - 51% WIRAMA ERA BARU SDN BHD
  - 35% SAMBUNGAN AKTIF SDN BHD
  - 35% USAHA SEMARAK SDN BHD
  - 30% WARNASARI IDAMAN SDN BHD
  - 20% TARIKAN PUNCAK SDN BHD
- 100% LBS LANDSCAPE SDN BHD
- 100% KITA SEJATI SDN BHD
- 100% SETARA ARMADA SDN BHD

CORPORATE STRUCTURE

As at 18 April 2023

- **100%** GALERI CEKAP SDN BHD
  - **70%** LEAPTEC ENGINEERING SDN BHD
    - **100%** MAJU KAMABISA SDN BHD
- **58.65%** MGB BERHAD
  - **100%** MGB CONSTRUCTION SDN BHD
    - **100%** MGB INTERNATIONAL FOR INDUSTRY **(KSA)**
  - **100%** MGB LAND SDN BHD
    - **100%** DELTA GALLERY SDN BHD
    - **100%** IDAMAN AKTIF SDN BHD
    - **100%** IDAMAN ELEGAN SDN BHD
    - **100%** IDAMAN KUKUH SDN BHD
    - **100%** IDAMAN LIVING SDN BHD
    - **100%** IDAMAN RAWANG SDN. BHD.
    - **100%** MGB DEVELOPMENT SDN BHD (F.K.A. MGB KAMPAR DEVELOPMENT SDN BHD)
    - **100%** MULTI COURT DEVELOPERS SDN BHD
    - **100%** RETRO COURT SDN BHD
    - **100%** SINARAN KENCANA SDN BHD
  - **100%** MGB CONSTRUCTION & ENGINEERING SDN BHD
    - **100%** PRISMA KASTURI SDN BHD
    - **100%** TOP ACE SOLUTIONS SDN BHD
    - **81%** MGB SANY (M) IBS SDN BHD
    - **30%** MGB JPC CONSULTANCY SDN BHD
  - **100%** VINTAGE ROOFING & CONSTRUCTION SDN BHD
  - **100%** VINTAGE TILES HOLDINGS SDN BHD
  - **80%** NEWSTEEL BUILDING SYSTEMS SDN BHD
  - **70%** MGB WATER SOLUTION SDN BHD
  - **51%** ALUNAN WARTA SDN BHD
- **100%** SAUJANA TUNGGAL SDN BHD
  - **100%** GERBANG MEKAR SDN BHD
- **60%** SPJ CONSTRUCTION SDN BHD

BVI - The British Virgin Islands
HK - Hong Kong
PRC - The People's Republic of China
KSA - Kingdom of Saudi Arabia

OUR PORTFOLIO

PROPERTY

kita @ CYBERSOUTH by LBS

DENGKIL, SELANGOR

This affordable, family-centric development sits on 633 acres of Malay Reserve land in the mature township of Dengkil. With an estimated gross development value (GDV) of RM6.36 billions and its proximity to Putrajaya, Cyberjaya and the Kuala Lumpur International Airport (KLIA) further makes it an appealing location to civil servants, employees of financial and tech start-ups as well as international business travellers.

From the night markets in Dengkil and Putrajaya, the Mitsui Outlet Park in KLIA Sepang, the Putrajaya Challenge Park to the Paya Indah Wetlands, residents can conveniently access a variety of shopping destinations, delectable local eateries, recreational parks and other public amenities in the southern corridor of the Greater Klang Valley. It is also easily accessible via a few major expressways including MEX and ELITE.

A gated and guarded township, it is a mixed development inspired by traditional Malay culture and communal living. Each phase of the development that consists of terrace homes, townhouses, serviced apartments and shop lots saw an impressive take-up rate.

KEHIDUPAN KOMUNITI BERINSPIRASI
LBS ALAM PERDANA

BANDAR PUNCAK ALAM, SELANGOR

An award-winning holistic development in Kuala Selangor, LBS Alam Perdana sits on 469.8 acres of land easily accessible via four expressways – Guthrie, LATAR, DASH and NKVE and pose a GDV of RM4.1 billion.

Embodying LBS' DNA of affordability, connectivity and community, it features recreational gardens built around a beautiful lake, gated and guarded neighbourhoods, education hubs, community centres and an upcoming industrial hub.

Simfoni Perdana, Melodi Perdana, Rentak Perdana, Ritma Perdana and Irama Perdana are the five neighbourhoods situated within this emerging township. The development includes double-storey terrace houses, single-storey semi-D houses, townhouses, apartments, commercial lots, Perumahan Penjawat Awam Malaysia (PPAM) housing and Rumah Idaman MBI.

OUR PORTFOLIO

PROPERTY

SELANGOR

Launched in 2003, Bandar Saujana Putra (BSP) is a prize-winning township that has matured into an integrated, self-contained community on a 850-acre land. It is strategically nestled between USJ, Putrajaya, Cyberjaya and Shah Alam and accessible via ELITE, SKVE and LDP.

Comprising of serviced residences, landed homes and commercial units, BSP afford its 20,000 residents the privilege of enjoying the ambience of a relaxing suburb and access to various amenities while remaining close to the heart of the Klang Valley.

D'ISLAND Residence

PUCHONG, SELANGOR

Released in 2011, this is an island-themed development comprising luxurious residences and a commercial centre next to a tranquil lake in Puchong. It includes eco-conscious bungalow lots, semi-detached homes and superlink houses, double-storey terrace homes, and condominiums on a 175-acre land.

These prestigious dwellings are close to various amenities such as schools, hospitals, shopping centres and highways.

OUR PORTFOLIO

PROPERTY

PRESTIGE RESIDENCE

SERI KEMBANGAN, SELANGOR

With a RM617 million GDV, this is a serviced apartment with two 29-storey towers in the established township of Seri Kembangan. It is conveniently close to schools, malls, expressways and the Ayer Hitam Forest Reserve.

It offers three types of layouts ranging from 600 to 850 sq ft and a wide range of recreational facilities. With selling prices starting from RM270,000, it will appeal to singles and small families looking to purchase their first home. Prestige Residence saw an encouraging take-up rate since its launch in October 2021 as it attracts young professionals and small families looking to settle down and own their first home.

LBS SKYLAKE RESIDENCE @ PUCHONG

PUCHONG, SELANGOR

All 746 units of this two-block serviced apartment was completed in FY2022, with a GDV of RM381 million. Residents can enjoy stunning views of a lake while being close to commercial, educational, healthcare and retail outlets in Puchong and the Greater Klang Valley.

OUR PORTFOLIO

PROPERTY

Mercu Jalil @Bukit Jalil

BUKIT JALIL, KUALA LUMPUR

Built on one of the highest peaks in Bukit Jalil, this development was fully sold in 2022 and due to complete in 2023. It has a GDV of RM536 million.

All 1,360 units come with three bedrooms and two bathrooms. Facilities include a kindergarten, playground, nursery and multipurpose hall. True to LBS' DNA, it is reasonably priced and connected to various amenities.

Residensi Bintang Bukit Jalil by LBS

BUKIT JALIL, KUALA LUMPUR

Spotting an unobstructed view of the majestic Titiwangsa mountain range from the South Tower, this condominium in Kuala Lumpur has achieved a take up rate of 98%.

Featuring over 90 recreational facilities, residents should receive their keys in 2023. Its GDV is approximately RM946 million.

OUR PORTFOLIO

PROPERTY

CAMERON CentruM
金马仑·中环
@BRINCHANG

BRINCHANG, CAMERON HIGHLANDS

This mixed development of residential, commercial, hotel and retail facilities boast English Tudor-style architecture in the Brinchang township of Cameron Highlands, Pahang.

Launched in 2017, Precinct 1 that consists of commercial units was completed in FY2022 and has introduced a variety of modern & vibrant offerings to compliment the best of local experiences of the old Brinchang charm.

GOLDEN HILLS
Cameron Highlands. The way life should be.

BRINCHANG, CAMERON HIGHLANDS

Nestled between Tanah Rata and Brinchang, this development comprises holiday apartments, bungalow lots, commercial developments, terraced and semi-detached homes.

Exemplifying tasteful English Tudor design, it is known for its scenic views of the surrounding mountains and valleys.

OUR PORTFOLIO

PROPERTY

Taman Kinding flora 京丁翠园

CHEMOR, PERAK

Launched in April 2019 in Chemor, Perak, this project comprises 789 units of cluster terrace, terrace homes, bungalows and shops.

Aimed at middle-income homebuyers, it has a GDV of RM210 million.

BANDAR PUTERA INDAH 皇子城

BATU PAHAT, JOHOR

Launched in 2002, this 1,288-acre freehold integrated township in Johor boasts of more than 11,000 units of residential and commercial properties. A total of 3,363 units have been handed over to purchasers. Amenities such as mini markets and eateries are readily available while schools and shopping complexes are being built.

Attractively priced, the single-storey terrace homes in Magma Garden, Emerald Garden 2, double-storey terrace homes in Ivory Garden, Ivory Garden 2 and double-storey semi-detached houses in Royal Garden are all sold out.

Construction is ongoing for single-storey terrace homes in Emerald Garden 3.

OUR PORTFOLIO

PROPERTY

IDAMAN

SOLUSI PEMILIKAN KEDIAMAN TERUNGGUL

LBS, in collaboration with the Selangor State Government is embarking on an affordable homeownership initiative called 'Rumah Idaman MBI' an affordable housing initiative launched in 2019 by the Menteri Besar Selangor Incorporated (MBI). The high-rise homes in this programme are priced at RM250,000 and include a more-than-decent built-up area of 1,000 square feet (3 bed 2 bath). Designed with modern living in mind, every 'Rumah Idaman' emphasises comfort and intelligent space usage and layout, with family-centric facilities that cater to all ages which include a multi-purpose hall, playgrounds, basketball and takraw courts. Every unit offers a 2-parking bay, with a television set, TV cabinet, refrigerator, kitchen cabinet, air conditioners, water heaters and wardrobe.

The objective is to complete 7,210 units across 5 key and strategic locations in Selangor, with a total GDV of RM2.01 billion.

The following five localities have been designated for the 'Rumah Idaman' initiatives:

- Shah Alam (Idaman Cahaya);
- Bandar Saujana Putra (Idaman BSP);
- Dengkil (Idaman Melur and Idaman KITA);
- Puncak Alam (Idaman Perdana); and
- Puchong (Idaman Sari).

IDAMAN BSP, Bandar Saujana Putra

OUR PORTFOLIO

MOTOR RACING CIRCUIT

Zhuhai International 珠海國際賽車場 Circuit

GUANGDONG, CHINA

ZIC is a joint venture project between LBS and local partner, Zhuhai Jiuzhou Group Holdings Limited, an investment arm of Zhuhai city's government.

Completed in 1996, ZIC is China's first racing circuit and is the first permanent 4.3 km Grade 2 circuit recognised by the FIA (International Motor Sports Federation). The circuit has hosted leading domestic and international racing competitions such as BPR Global GT Series, FIA GT Championship, A1 Grand Prix, Intercontinental Le Mans Cup, Asia Le Mans Series and more.

RETAIL MALL

SHOPPING MALL
melati mesra moments

TAMAN MELATI, KUALA LUMPUR

Project
Shopping mall

Land area
3.2 acres

Total gross built-up area
590,000 sq ft

Nett Lettable Area (NLA)
Approx. 200,000 sq ft

Retail composition
107 shoplots
522 car park bays

LBS' acquisition of M3 Mall, located in Taman Melati, Selangor marks the Group's maiden foray into management and operations of retail asset.

Featuring approximately 200,000 sq ft of nett lettable area ("NLA"), the mall is located at the hub of the bustling and rapidly developing residential area of Taman Melati and surrounding Gombak and Ampang.

With a local population catchment of approximately 1 million, M3 Mall is strategically placed amidst a vibrant and dynamic community locale and post COVID-19, continues to see tremendous footfall.

OUR PORTFOLIO

–
TOURISM

SCAPES HOTEL

GENTING HIGHLANDS, PAHANG

Project
4-star hotel

Rooms
176

Facilities
Gym,
swimming pool,
all-day dining restaurant,
poolside café,
sports bar,
ballroom & meeting rooms

The 4-star, 176-room SCAPES Hotel is LBS' maiden hospitality business and provides the Group a steady recurring revenue stream.

Located at the tourist destination of Genting Highlands, SCAPES Hotel meets the needs of travellers looking for affordable quality coupled with good service and convenient accessibility to the many attractions of the holiday hill locale.

Offering scenic vistas of the surrounding, misty green countryside, SCAPES enables LBS' continued expansion into the fast-growing hospitality industry.

EVENT HIGHLIGHTS

JANUARY

5 JANUARY 2022

LBS 2022 MEDIA BRIEFING

LBS announced that the Group surpassed the RM1.2 billion sales target, ending a challenging year on a high with RM1.58 billion in property sales during the media briefing to kickstart the year 2022. It also revealed plans to launch 14 new projects in 2022 – amounting to 3,733 units with a Gross Development Value (GDV) of RM1.77 billion.

24 JANUARY 2022

LBS BINA GROUP 2022 TOWN HALL MEETING

The Group held its annual town hall meeting, in both virtual and physical settings. With the on-going pandemic, for the sake of the safety and health of all attendees, the Town Hall was a two-day affair to ensure all SOPs were met. Among the top agendas included how to continue to establish good bonding among all LBS staff, acknowledging the efforts everyone made throughout 2021, and how the organisation can grow and go further with the foundation that had been laid.

FEBRUARY

7 FEBRUARY 2022

AGONG GRACES LBS BINA GROUP 2022 CNY DINNER

His Majesty Seri Paduka Baginda The Yang Di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah graced the Chinese New Year Dinner organised by LBS at Majestic Hotel Kuala Lumpur, on the fifth day of the Chinese New Year. His Royal Highness was also accompanied by DYMM Pemangku Raja Pahang, Tengku Hassanal Ibrahim Alam Shah ibni Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah. This year's event was celebrated with 250 selected guests under strict compliance with the governing SOP.

EVENT HIGHLIGHTS

MARCH

21 MARCH 2022

LBS PARTICIPATES IN THE PROPOSED JOINT VENTURE OF A LIGHT RAIL TRANSPORT SYSTEM IN JOHOR BAHRU

LBS entered into a Heads of Agreement with Nylex (Malaysia) Berhad, Sinar Bina Infra Sdn Bhd, BTS Group Holdings Public Company Limited and Ancom Berhad to build and operate a light rail transport (LRT) system with an integrated property development based on the "Transit-Oriented Development" concept in Johor Bahru's metropolitan region. This potential collaboration provides LBS with an opportunity to monetise the land in their landbank in Johor, as well as expand the scope of their property development and construction expertise beyond the usual housing projects.

31 MARCH 2022

LBS FABULOUS 20-21 GRAND FINALE

LBS carried out the final lucky draw for the LBS Fabulous 20-21 campaign with up to RM731,000 worth of amazing prizes, which included the Proton X70, Proton Exora, 3 units of Proton Persona and 3 units of Proton Iriz. The final draw was held online via LBS' Facebook on 28 March 2022 and the prize giving ceremony took place at KITA @ Cybersouth sales gallery.

APRIL

12 APRIL 2022

RAIKAN REZEKI BERSAMA LBS RETURNS

In conjunction with Hari Raya celebrations, LBS launched another cycle of campaign Raikan Rezeki Bersama LBS where homebuyers stood a chance to bring home e-wallets worth more than RM541,800 and enjoy 6 bonus offerings when they purchase their dream home with LBS.

21 APRIL 2022

TAN SRI LIM HOCK SAN RECEIVES NATIONAL OUTSTANDING ENTREPRENEURS LIFETIME ACHIEVEMENT AWARD

Tan Sri Lim Hock San, Executive Chairman of LBS, received the National Outstanding Entrepreneurs Lifetime Achievement Award from KSI Strategic Institute for Asia Pacific in recognition of his significant contributions to the country, society, and business community. The Award was conferred by the then Minister of Domestic Trade and Consumer Affairs, YB Dato Sri Alexander Nanta Linggi at a special business awards gala dinner held at the InterContinental Kuala Lumpur.

EVENT HIGHLIGHTS

MAY

27 MAY 2022

LBS SETS 2ND MALAYSIA BOOK OF RECORDS FOR MOST INDOOR SHOWHOUSE UNITS UNDER ONE ROOF

After its first Malaysia Book of Records (MBOR) entry for the BSP21 project which bagged the award for 'Most Number of Facilities in a Residential Development' in Malaysia with a total of 103 facilities, LBS secured another entry for the 'Most Indoor Showhouse unit in Sales Gallery in Malaysia', with a total of 13 indoor showhouses under the KITA @ Cybersouth and LBS Alam Perdana.

JUNE

16 JUNE 2022

LBS 22ND ANNUAL GENERAL MEETING

LBS concluded its 22nd Annual General Meeting (AGM) with the approval of all motions offered for discussion, including the single-tier final dividend of 1.00 sen per ordinary share for the fiscal year ended 31 December 2021. In addition to the 0.85 sen per ordinary share declared on 15 April 2022, LBS' total dividends for FYE 2021 amounted to 1.85 sen per share.

JULY

4 JULY 2022

FABULOUS EXTRA 22-23 LUCKY DRAW

After the resounding success of LBS Fabulous 20-21, LBS made a popular return with the LBS Fabulous Extra 2022-23 campaign with RM1.5 million worth of prizes up for grab, with 22 grand prizes of Perodua Axia and a plethora of exciting goodies to be won. It is a two-phase campaign, extensively amplified with a 360-degree campaign across multiple LBS social media platforms whilst the second-phase was a carnival-styled on-ground event held in conjunction with Merdeka and Malaysia Day.

EVENT HIGHLIGHTS

JULY (cont'd)

22 JULY 2022

LBS BI-ANNUAL TOWN HALL

LBS held its second town hall meeting of the year with the theme 'Together, We Move Forward'. The town hall gathering has evolved into one of the Company's official communication venues for management and workers to convey and receive internal news and events. There was a total of 800 attendees who attended the town hall physically and virtually.

22 JULY 2022

RIMBAWAN LAND ACQUISITION

LBS, via its subsidiary Casa Inspirasi Sdn Bhd, entered into an agreement with Pahang State Secretary Corporation to develop a combined land area of more than 300 acres at Genting Permai, Bentong. LBS intends to develop the land into a vibrant mixed development that will include serviced apartments, double-story terrace houses, townhouses, and bungalows as well as facilities such as schools and hospitals, with an estimated GDV of more than RM9 billion.

AUGUST

3 AUGUST 2022

WATSONS' "SHOP WITH WATSONS AND WALK AWAY WITH A HOME" LAUNCH

In partnership with LBS, Watsons is offering their Club Members a chance to own a brand-new home at LBS SkyLake Residence this year. In conjunction with Watsons Malaysia's 12th Anniversary of Watsons Club Members, Watsons launched the "Shop with Watsons and Walk Away with a Home" campaign where winners can own a new home while enjoying more rewards.

EVENT HIGHLIGHTS

AUGUST (cont'd)

24 AUGUST 2022

STARPROPERTY AWARDS 2022

LBS bagged the following awards at the StarProperty Awards 2022; All-Stars Award – Performing developer, The Digital Strategist Award (Excellent), The Business Estate Award (Commercial development) for Cameron Centrum (Honours), The Highlander Award for Vines 3, Cameron Golden Hills (Merit), The Starter Home Award (Landed) for KITA Mesra Single Storey (Merit), The Family Friendly Award (High Rise) for Prestige Residence (Merit), The Family Friendly Award (Landed) for KITA Mekar Double Storey (Merit).

29 AUGUST 2022

BCI ASIA TOP 10 DEVELOPERS AWARDS

LBS received one of the Top 10 Developers Award 2022 at the BCI Asia Awards (BCIAA), which honors the most commercially important developers in Southeast Asia. The BCI Asia Top 10 Developers Ranking for 2022 was created to provide an international overview of their most important contribution to sustainable architecture in Asia's seven regional markets.

SEPTEMBER

7 SEPTEMBER 2022

LBS RECOGNISED AS ONE OF MALAYSIA'S BEST MANAGED COMPANIES

LBS was recognised as one of Malaysia's Best Managed Companies in 2022 by leading global consulting firm Deloitte. Deloitte's Best Managed Companies award is a leading business awards programme that has been hosted in more than 37 countries since 1993. It recognises top privately-owned local companies for their organisational excellence and contributions to the economy.

EVENT HIGHLIGHTS

OCTOBER

18 OCTOBER 2022

LBS RECOGNISED AS TOP 10 PLAYERS IN THE PROPERTY INDUSTRY AT THE MALAYSIA DEVELOPER AWARDS 2022 (MDA)

LBS continued its industry's accolades by being awarded the Malaysia Developers Awards 2022 Top of the Charts (under RM1 billion category) – Top 10. The Malaysia Developer Award is a collaboration between Star Media Group and FIABCI-Malaysia. It aims to serve as a benchmark of excellence for property developers to elevate themselves to international standards and to strengthen the Malaysian property industry in the global arena.

29 OCTOBER 2022

THE LAUNCHING OF IDAMAN MELUR

Permodalan Negeri Selangor Berhad (PNSB), a Selangor State Government subsidiary under the supervision of Menteri Besar Selangor (Incorporated) (MBI) and in partnership with MGB Berhad - a construction and property development solutions provider and subsidiary of LBS Bina Group Berhad - held a launching ceremony for one of its six Rumah Idaman MBI projects, Idaman Melur at KITA @ Cybersouth Sales Gallery.

NOVEMBER

17 NOVEMBER 2022

CHAIRMAN TAN SRI LIM HOCK SAN APPOINTED AS ADJUNCT PROFESSOR OF LEADERSHIP AT UNITAR INTERNATIONAL UNIVERSITY

Tan Sri Lim Hock San was appointed as an Adjunct Professor of Leadership by UNITAR International University in recognition of his exemplary leadership in spearheading LBS Bina Group Berhad and transforming the group into a household brand name and as one of the leading players in the property development industry.

DECEMBER

3 DECEMBER 2022

"SHOP WITH WATSONS AND WALK AWAY WITH A HOME" GRAND FINALE

With the grand finale held at the KITA @ Cybersouth sales gallery, LBS gave away a unit of LBS SkyLake Residence to a lucky winner – drawing a close to this successful collaboration with Watsons Malaysia.

02

GROUP LEADERSHIP

BOARD AND BOARD COMMITTEES

As at 18 April 2023

BOARD OF DIRECTORS

TAN SRI DATO' SRI LIM HOCK SAN
PSM, SSAP, DSSA, JP

Executive Chairman
Non-Independent Executive Director

DATUK WIRA LIM HOCK GUAN
DCSM, DMSM, PJK, JP

Group Managing Director/
Chief Executive Officer
Non-Independent Executive Director

MAJ (HON) DATO' SRI LIM HOCK SING
SSAP, DIMP, JP

Executive Director
Non-Independent Executive Director

DATO' LIM MOOI PANG
DIMP

Executive Director
Non-Independent Executive Director

DATO' LIM HAN BOON
DIMP

Senior Independent
Non-Executive Director

DATO' YONG LEI CHOO
DIMP

Independent
Non-Executive Director

DATO' AMINUDIN ZAKI BIN HASHIM
A.M.P, DPMP

Independent
Non-Executive Director

PUAN NURAINI BINTI ISMAIL

Independent
Non-Executive Director

BOARD AND BOARD COMMITTEES

As at 18 April 2023

AUDIT COMMITTEE

Dato' Lim Han Boon
(Chairman)

Dato' Aminudin Zaki Bin Hashim

Nuraini Binti Ismail

NOMINATION AND REMUNERATION COMMITTEE

Dato' Yong Lei Choo
(Chairperson)

Dato' Aminudin Zaki Bin Hashim

Nuraini Binti Ismail

RISK MANAGEMENT COMMITTEE

Maj (Hon) Dato' Sri Lim Hock Sing
(Chairman)

Dato' Lim Mooi Pang

Dato' Lim Han Boon

Dato' Yong Lei Choo

Dato' Aminudin Zaki Bin Hashim

SUSTAINABILITY COMMITTEE

Dato' Lim Mooi Pang
(Chairperson)

Tan Sri Dato' Sri Lim Hock San

Datuk Wira Lim Hock Guan

Dato' Lim Han Boon

Dato' Yong Lei Choo

Nuraini Binti Ismail

COMPANY SECRETARIES

Lee Ching Ching

Chooy Wai Nee

DIRECTORS' PROFILES

TAN SRI DATO' SRI LIM HOCK SAN

Executive Chairman

Male

Age 65

Malaysian

Graduated in 1982 with First Class Honours in Civil Engineering from the University of Wales, Science & Technology (UWIST), UK, Tan Sri Lim returned to Malaysia and joined the family business which were then lorry transportation and construction activities. Within two decades, the company had expanded to include investment holdings in the property development, insurance and tourism industries.

Tan Sri Lim was appointed the Managing Director on 6 December 2001. With his excellent entrepreneurial skills combined with acquired management and technical experience, he became the Key Leader and spearheaded the LBS Group to become one of the leading players in the property development industry. On 1 March 2021, he was appointed as the Executive Chairman, following the retirement of Dato' Seri Lim Bock Seng.

These were the outstanding accolades awarded personally to Tan Sri Lim: -

i. Second Prize in the British Steel Corporation Competition for Design in Hollow Steel Section, 1982
ii. The inaugural Platinum Entrepreneur Award by SMI Association of Malaysia, 2011
iii. Prestigious Entrepreneur of the Year by Asia Pacific Entrepreneurship Awards (APEA), 2012
iv. Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2014
v. World Chinese Economic Summit (WCES) Lifetime Achievement Award for continued efforts in enhancing bilateral relations between Malaysia and China (Guangdong Province), 2015
vi. The BrandLaureate Hall of Fame – Lifetime Achievement Brand Icon Leadership Awards by Asia Pacific Brands Foundations, 2015
vii. Global Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2016
viii. Most Affluent Chinese Entrepreneur Awards, 2016
ix. Property Insight Prestigious Developer Awards (PIPDA) - Personality of the Year, 2017
x. Asia Corporate Excellence & Sustainability Awards (ACES) - Outstanding Leader in Asia, 2017
xi. Special Distinguished Award for Promotion of China-ASEAN Relations at the 9th World Chinese Economic Summit (WCES), 2017
xii. Worldwide Excellence Award (WEA) - Person of the Year, 2017
xiii. Queen Victoria Commemorative Medal by The Europe Business Assembly, 2017
xiv. 8th Global Leadership Awards 2018 - Lifetime Achievement Award, 2018
xv. The BrandLaureate Prominent Business Brand Awards: Most Eminent - Prominent Business Brand Leadership Award, 2018

DIRECTORS' PROFILES

xvi. The BrandLaureate Special Edition World Awards: BrandLaureate World Brandpreneur Hall of Fame - Lifetime Achievement Award, 2018
xvii. FIABCI Malaysia Property Award - Property Man of the Year, 2018
xviii. Des Prix Infinitus Asean Property Award 2019 - Lifetime Achievement, 2019
xix. Property Insight Prestigious Developers Awards (PIPDA) 2019 - Lifetime Achievement Award, 2019
xx. iProperty Development Excellence Awards (iDEA) 2019 - Innovative Leader of the Year, 2019
xxi. KSI Special Business Award 2022 – National Outstanding Entrepreneurs Lifetime Achievement Award, 2022
xxii. Adjunct Professor of Leadership of UNITAR International, 2022

Being a humble philanthropist and an active advocate of social and community works, Tan Sri Lim sits on the board of these organisations: -

1. President, The Federation of Hokkien Associations Malaysia
2. Deputy President, The Federation of Malaysia Lim Associations
3. President, Malaysia-Guangdong Chamber of Investment Promotion
4. Honorary Life Adviser, The Federation of Chinese Associations Malaysia (Huazong)
5. Honorary Life President, Persekutuan Persatuan-Persatuan Ann Koai Malaysia
6. Chairman, Board of Governors of SMJK Katholik, Selangor
7. Chairman, Board of Governors of SJK (C) Tun Tan Siew Sin, Selangor
8. Chairman, Selangor/K.L Lim Clansmen Association
9. Honorary University Fellowship of Genovasi University College
10. Adjunct Professor of Leadership of UNITAR International
11. Honorary President, Malaysia-China Chamber of Commerce
12. Honorary Adviser, The Federation of Malaysia Chinese Surname Association
13. President of the Sungai Way Hokkien Association, Selangor
14. Honorary Adviser, Gabungan Persatuan Keturunan Cina Negeri Sembilan
15. Honorary Life President, Gabungan Persatuan Cina Petaling Jaya, Selangor
16. Honorary President, Malaysia-China Silk Road Entrepreneurs Association
17. Honorary President, The Federation of Malaysian Clans and Guilds Youth Association
18. Honorary President, Catholic High School Alumni Association, Selangor
19. Honorary President, Persatuan Penganut Tho Guan Sen
20. Honorary Life Chairman, Board of Governors of SJK (C) Sungai Way, Selangor
21. Honorary President, Young Malaysians Movement
22. Honorary Life President, Persatuan Anxi Selangor Dan W.P. Kuala Lumpur
23. Honorary Life Chairman, Selangor Petaling Business & Industry Association
24. Honorary Chairman, Rumah Berhala Leng Eng Tian, Selangor
25. Adviser, Persatuan Ko Chow Sungai Way, Selangor
26. Adviser, Kelab Sungai Way, Selangor
27. Adviser, Majlis Pembangunan Sekolah Menengah Jenis Kebangsaan Malaysia
28. Advisory Committee, Malaysia China Mergers & Acquisitions Association
29. Overseas Representative, the 5th Session of the 12th Chinese People's Political Consultative Conference 2017
30. Committee, China Federation 10th Plenary Session
31. Committee, the 6th China Overseas Exchange Association
32. Overseas Representative, Fujian Chinese People's Political Consultative Conference 2015
33. Overseas Representative, the 17th People's Congress of Quanzhou, China
34. Vice President, Fujian Overseas Exchanges Association 6th Council
35. Committee, Fujian Provincial Federation
36. Vice President, The World Lin's Association
37. Honorary Life Adviser, Tan Kah Kee Educational Charity Foundation
38. Committee, the 5th China Overseas Friendship Association

Tan Sri Lim is a substantial shareholder of the Company. He holds directorship of several subsidiaries in the LBS Group and presently, sits as the Executive Vice Chairman of MGB Berhad. He is also a member of the Sustainability Committee in LBS.

Tan Sri Lim is a brother of Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

Tan Sri Lim attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

DATUK WIRA LIM HOCK GUAN

Group Managing Director/ Chief Executive Officer

Male

Age 61

Malaysian

DATUK WIRA LIM HOCK GUAN was appointed as Executive Director of LBS on 6 December 2001 and was later appointed as Managing Director on 1 March 2021. On 14 January 2022, he was re-designated as Group Managing Director/Chief Executive Officer (GMD/CEO) of LBS.

A graduate of the Tennessee Technology University, United States with a degree in Civil Engineer, Datuk Wira Lim Hock Guan began his career as a civil engineer before venturing into property development. His over 30 years of extensive experience and expertise in the field of property development and construction have been critical to the growth and success of LBS over the years.

As GMD/CEO, Datuk Wira Lim Hock Guan is responsible for developing high-quality business strategies and plans that align with LBS short-term and long-term objectives. He is one of the key drivers behind LBS Group's successful implementation of projects in the Klang Valley, where LBS has established itself as a leading property developer. His other duties include overseeing all operations and business activities to ensure they produce the desired results and are consistent with the overall strategy and plan while adhering to the legal guidelines and compliance policies to maintain LBS Group's legality and integrity.

Under his leadership, LBS has also undertaken various initiatives to digitise its operations and process, from streaming internal workflows to the implementation of cutting-edge technologies to enhance customer experiences. He is also known for his commitment to sustainability, where under his executive leadership, the Group has taken various initiatives to promote sustainable practices in its operations.

Datuk Wira Lim Hock Guan is a member of the Sustainability Committee in LBS. He also sits on the board of MGB Berhad, a public listed company as Group Managing Director and several subsidiaries of the Group.

Being active in community works and non-profit-making organisations, he is the Vice President of the Malaysia-Guangdong Chamber of Investment Promotion. He is also a qualified sharpshooter from the National Rifle Association, Washington D.C.

Datuk Wira Lim Hock Guan is a brother of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director). He is also a substantial shareholder of the Company.

Datuk Wira Lim Hock Guan attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

MAJ (HON) DATO' SRI LIM HOCK SING

Executive Director

Male

Age 59

Malaysian

MAJ (HON) DATO' SRI LIM HOCK SING was appointed as Executive Director of LBS on 6 December 2001. He obtained his Bachelor of Accounting Degree from Eastern Washington University in 1989. Upon his graduation, he started practicing as an audit supervisor at Khoo & Co, a local public accounting firm. He was appointed Director of LBS Bina in 1991 and has been entrusted with LBS Group's interests in the states of Pahang and Johor.

Dato' Sri Lim Hock Sing has devoted his professional career into LBS Group with his accountancy background and with over 30 years of experience in property development, he has contributed invaluable aptitude in matters of finance, marketing and real estate evaluation.

Dato' Sri Lim Hock Sing's advocacy of community development and environmental conservation is reflected in his position as one of the Trustees in Sultan Ahmad Shah Environment Trust (SASET) since 2012. He is also a contributing member of Persatuan Warga Cinta Negara Malaysia (PENCINTA), and engaged in central roles for organisations such as the Young Entrepreneurs Association of Malaysia (PUUM) and Sungai Way Hokkien Association.

Being an active advocate of social and community works, Dato' Sri Lim Hock Sing sits on the board of the following organisations:

- Chairman of the Board of Governors of SJK (C) Sungai Way
- Chairman of the Persatuan Penganut Agama Buddha Kunzang Chokhor Ling Selangor

He is a committee member of the Malaysia-Kuwait Business Council, an organisation formed under the Malaysia External Trade Development Corporation (MATRADE).

Dato' Sri Lim Hock Sing was awarded the rank of Honorary Major in the 505th Regiment of The Reserve Army of Malaysia by K.D.Y.T.M. Tengku Mahkota Pahang, Tengku Abdullah Al-Haj Ibni Sultan Haji Ahmad Shah Al-Musta'in Billah in 2012.

Dato' Sri Lim Hock Sing also sits on the board of several subsidiaries of the Group. On 22 August 2022, he was appointed as the Chairman of the Risk Management Committee in LBS.

Dato' Sri Lim Hock Sing is a brother to Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer) and Dato' Lim Mooi Pang (Executive Director).

Dato' Sri Lim Hock Sing attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

DATO' LIM MOOI PANG

Executive Director

Female

Age 56

Malaysian

DATO' LIM MOOI PANG was appointed as Executive Director of LBS on 16 July 2009. She graduated with an Honours Degree in Management Studies from the University of Waikato, New Zealand. She began her career with Messrs. Ernst & Young New Zealand where she attained her qualifications as a member of the New Zealand Institute of Chartered Accountants. She is a Fellow Member of Chartered Accountants Australia and New Zealand.

Prior to her current position, Dato' Lim Mooi Pang was the Director of Finance and Administration with Speedline Technologies, an American multi-national company based in Singapore. Subsequently, she joined LBS and managed the Group's investments in Zhuhai, China known as Zhuhai International Circuit Ltd (ZIC). Dato' Lim Mooi Pang continues to be the Vice Chairman of ZIC.

She is currently responsible for several of LBS Group's corporate functions mainly in Accounts and Finance, Human Resource, Sales and Marketing, Program Management Office, Special Project Office, Legal, Hotel, Retail and Secretarial & Corporate Affairs.

Dato' Lim Mooi Pang also sits on the board of several subsidiaries of the Group. In addition, she is the Chairperson of the Sustainability Committee and a member of the Risk Management Committee in LBS.

Dato' Lim Mooi Pang is a sister of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer) and Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director).

Dato' Lim Mooi Pang attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

DATO' LIM HAN BOON

Senior Independent Non-Executive Director

Male

Age 65

Malaysian

DATO' LIM HAN BOON was appointed as an Independent Non-Executive Director of LBS on 27 August 2020. He holds a Master Degree in Business Administration from University of South Australia, Australia. He also attended the Senior Management Development Program at Harvard Business School. He is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, Chartered Accountant of Malaysian Institute of Accountants and member of Chartered Management Institute, United Kingdom.

Dato' Lim started his career in the Chartered Accounting firm of BDO. Subsequently, he spent more than twenty years in the transportation and maritime logistics industry having worked for Kontena Nasional Berhad, Northport (Malaysia) Berhad, NCB Holdings Berhad as well as Kannaltec Berhad.

He is also no stranger in the Global Business Services/ Outsourcing Industry having spent more than eighteen years in this industry, being the founder of Envo BPO Services Sdn Bhd, a leading business outsourcing company in Malaysia, specialising in contact centre services.

Currently, he is a Board Member of Kuen Cheng High School Kuala Lumpur. He is also an adviser to Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association of Malaysia. He was previously the Senior Independent Non-Executive Director of Top Glove Corporation Berhad before his retirement in early 2022.

Dato' Lim is the Chairman of the Audit Committee, a member of the Risk Management Committee and Sustainability Committee in LBS. On 18 April 2023, he was re-designated as a Senior Independent Non-Executive Director in LBS.

Dato' Lim attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

DATO' YONG LEI CHOO

Independent Non-Executive Director

Female

Age 61

Malaysian

DATO' YONG LEI CHOO was appointed as an Independent Non-Executive Director of LBS on 14 January 2022.

Dato' Yong holds an Honours Degree in Bachelor of Arts (Population Studies) from University of Malaya and a Master Degree in Science (Human Resource Development) from Western Carolina University, North Carolina, USA.

She had a distinguished career in the Royal Malaysian Police Force for nearly 36 years before retiring from the Force on 27 October 2021 as Deputy Chief Police Officer of Kuala Lumpur. Notable achievements of Dato' Yong in the Police Force include being the first female Head of Special Branch in the Petaling Jaya Police District (1998); first Chinese woman with the rank of Senior Assistant Commissioner (2009); first female Special Branch Chief of Penang Police Contingent (2015) and in the Malaysia Special Branch's history, first female Assistant Principal Director of the Malaysia Special Branch (Economic Intelligence Division) as well as the first female Deputy Chief Police Officer of Kuala Lumpur.

During her tenure as a professional police officer, she gained immense experience in investigation, prosecution, administration, anti-human trafficking, international security liaison, research and analysis in police precincts of various states such as Perak, Penang and Bukit Aman head precinct in Kuala Lumpur. She was also commissioned as the Chief VIP Security Team involved in the security detail for the Prime Minister's international excursions. She has attended various Intelligence Analysis and management courses/seminars in both local and foreign training institutions.

Her outstanding performance garnered her a Federal Scholarship from the Public Service Department to pursue her Master's Degree in North Carolina, USA (1995-1997). In 2009, she was conferred Darjah Indera Mahkota Pahang (DIMP) by the Sultan of Pahang.

Currently, Dato' Yong is the Independent Non-Executive Director of Red Ideas Holdings Berhad, Fiamma Holdings Berhad and Vestland Berhad.

Dato' Yong was appointed as the Chairperson of the Nomination and Remuneration Committee in LBS on 18 April 2023. She also is a member of the Risk Management Committee and Sustainability Committee in LBS.

Dato' Yong attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

DATO' AMINUDIN ZAKI BIN HASHIM

Independent Non-Executive Director

Male

Age 52

Malaysian

DATO' AMINUDIN ZAKI BIN HASHIM was appointed as an Independent Non-Executive Director of LBS on 18 April 2023. He also sits on the Board of Olympia Industries Berhad, as an Independent Non-Executive Director.

Dato' Aminudin is an experienced strategic thinker and transformation leader and was instrumental in the success of many strategic and public policy enterprises throughout his career. He brings with him a solid 30 years of experience in corporate leadership stretching from conceptualization, research and analysis, management consulting, change management, business management, business process reengineering, strategy and marketing, turnaround and transformation management, as well as corporate entrepreneurship drawn from a multitude of Multinationals (MNCs), State Owned Enterprise (SOEs) and Conglomerate working culture.

Dato' Aminudin qualifies as a Chartered Global Management Accountant (CGMA) and was admitted as an Associate member of the Chartered Institute of Management Accountants (ACMA) in 2014. He was conferred the prestigious Sir Ian Morrow award for the world's best Strategy and Marketing paper for the final examinations of Chartered Institute of Management Accountant (CIMA) in 1996. Prior to that, he graduated from Liverpool John Moores University (UK) with a Bachelor of Accounting and Finance (Honours) in 1993. Dato' Aminudin has also attended a Leadership in Development Program at Harvard Kennedy School (USA) in 2016.

Dato' Aminudin started his career at Rating Agency Malaysia Berhad in 1995 before joining management consulting practice beginning with UK based PA Consulting Group in 1997, American based Unisys MSC in 1999 and PricewaterhouseCoopers (PwC) Consulting in 2002. He has also served in senior positions at IBM Business Consulting Services and Multimedia Development Corporation. In 2007, he was appointed as the Associate Director of The iA Group and later in 2009, he was entrusted to kickstart Institut Darul Ridzuan (IDR), a policy and strategy think tank for the State of Perak.

In 2012, he was tasked to reactivate a State Owned Enterprise, Menteri Besar Incorporated (MB Inc) for the State of Perak and was appointed as the Group Chief Executive Officer and was responsible to revive the sustainable mineral development industry in Perak and to develop new growth corridors for the State. During his stint at MB Inc, he was responsible for many key achievements including record revenue generation for the State, mineral and building construction industry redevelopment and various corporate social development programmes. He has also served in various high level committees and Board positions for the State and State Agencies between 2009-2018. In 2020, he joined a large family owned conglomerate with interests in property, infrastructure, healthcare, transportation and hospitality and served as the Group Managing Director until February 2023.

Dato' Aminudin is the member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee in LBS.

DIRECTORS' PROFILES

NURAINI BINTI ISMAIL

Independent Non-Executive Director

Female

Age 60

Malaysian

PUAN NURAINI BINTI ISMAIL was appointed as an Independent Non-Executive Director of LBS on 18 April 2023. She is a Fellow member of the Association of Chartered Certified Accountants (FCCA).

Puan Nuraini has more than 35 years working experience in the areas of finance and accounting, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics and operations.

She started her career at the Accountant General Office in 1985 being a Jabatan Perkhidmatan Awam (JPA) scholar. Subsequently, she sought for release from JPA to go to an audit firm to secure her professional working experience. She joined Petroliam Nasional Berhad (PETRONAS) in September 1992, and the last position she held prior to her retirement in 2021 was Vice President Treasury, a position she held for 11 years. Her working experience in PETRONAS includes the management of PETRONAS Group funds, Debt Management, liquidity management for PETRONAS Holding Company (HC) and PETRONAS Group of Companies, Corporate Finance functions for PETRONAS HC and PETRONAS Group of Companies which includes debt raising, structuring/restructuring, debt capital markets, project financing, due diligence, and liaison with Credit Rating Agencies in managing PETRONAS credit ratings. She was also a Chief Financial Officer of one of PETRONAS' subsidiaries.

Prior to joining PETRONAS, she had served in various organisations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Mayban Finance Berhad.

Currently, she is an Independent Non-Executive Director of Bank Islam Malaysia Berhad, GDex Berhad, MCIS Insurance Berhad and IIUM Holdings Sdn Bhd. She was previously a Non-Independent Non-Executive Director of Petronas Dagangan Berhad before she resigned in mid of 2021.

Puan Nuraini is the member of the Audit Committee, Nomination and Remuneration Committee and Sustainability Committee in LBS.

DIRECTORS' PROFILES

DATUK DR. HAJI BAHARUM BIN HAJI MOHAMED

Retired on 18 April 2023

Senior Independent Non-Executive Director

Male

Age 66

Malaysian

DATUK DR. HAJI BAHARUM BIN HAJI MOHAMED was appointed as an Independent Non-Executive Director of LBS on 20 August 2013 and was re-designated as Senior Independent Non-Executive Director on 19 April 2014.

Datuk Dr. Haji Baharum holds a Bachelor of Social Science (Honours) Degree from Universiti Kebangsaan Malaysia. He also holds a certificate in Business Management from Asian Institute of Management, Manila, Philippines. He obtained his Master Degree from European University Institute in Ireland and graduated with a doctorate in Environmental Studies from University Utara Malaysia in 2015.

He started his career as an officer with Majlis Amanah Rakyat (MARA) from 1982 to 1986 and was appointed as the Deputy Director of MARA in the states of Negeri Sembilan from 1987 to 1989 and Sabah from 1989 to 1992. He was a Special Officer to YB Chairman of MARA from 1992 to 1995 prior to his appointment as Principal Secretary to the Deputy Minister of the Prime Minister's Department from 1995 to 1998.

A former Chairman of Lembaga Pelesenan Kenderaan Perdagangan (CVLB) Semenanjung Malaysia from 2004 to 2006 and Datuk Dr. Haji Baharum was also appointed as Chairman of UDA Holding Berhad from 2006 to 2008. Presently, he is the Executive Chairman of a privately owned company involved in construction.

Datuk Dr. Haji Baharum is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

Datuk Dr. Haji Baharum attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

DIRECTORS' PROFILES

DATUK LIM SI CHENG

Retired on 18 April 2023

Independent Non-Executive Director

Male

Age 73

Malaysian

DATUK LIM SI CHENG was appointed as an Independent Non-Executive Director of LBS on 20 August 2013. He also sits on the Board of MAG Holdings Berhad, as an Independent Non-Executive Director and he is a Board member of Koperasi Jayadiri Malaysia Berhad.

Datuk Lim began his career as a journalist in 1968. From 1982 to 1990, he was a State Assemblyman of Bandar Segamat and Exco Member of Johor State Government from 1986 to 1990. He was appointed as Political Secretary to the Minister of Transport, Malaysia from 1990 to 1995. Following this, he was elected as Member of Parliament Kulai, Johor for three consecutive terms from 1995 to 2008. Datuk Lim then moved to the House of Representatives in Parliament Malaysia and served as Deputy Speaker from 1999 until February 2008. He was a member of the Malaysian Pepper Board from 2008 to 2011.

Datuk Lim is very active in the community works of various charitable organisations and presently sits on the board of the following organisations:

- Council member of University Tunku Abdul Rahman
- Trustee in Huaren Education Foundation
- Trustee in Chang Ming Thien Foundation
- Committee member of Malaysia Mental Literacy Movement

Datuk Lim is a member of the Audit Committee and the Nomination and Remuneration Committee in LBS.

Datuk Lim attended all the seven Board Meetings of the Company held during the financial year ended 31 December 2022.

KEY SENIOR MANAGEMENT PROFILES

DATO' SRI LIM HOCK SEONG

Deputy Chief Executive Officer

Male

Age 57

Malaysian

Date of Appointment
14 January 2022

DATO' SRI LIM HOCK SEONG graduated from Kolej Damansara Utama with a Diploma in Telecommunication and Computer Engineering. He was appointed as Executive Director of LBS on 6 December 2001. He is also the Director of LBS Bina since 1992.

In one of the efforts of the Group in streamlining the Board composition in line with the Company's steps towards stronger and more active corporate governance structure, Dato' Sri Lim Hock Seong has resigned as Executive Director and was re-designated as Deputy Chief Executive Officer of the Company on 14 January 2022.

He is in charge of property development projects in Perak, monitoring the initialisation, planning, management and overseeing day-to-day operations of the projects.

Dato' Sri Lim Hock Seong is also actively involved in community works and is a member of the Yayasan Ang Koai Selangor, the Malaysian Chinese Association, the Persatuan Hokkien Seri Setia as well as other charitable and non-profit-making organisations.

In recognition of his robust efforts in the social development and well-being of the community, he was conferred the Darjah Kebesaran Sri Sultan Ahmad Shah Pahang by the Sultan of Pahang in 2017.

He sits on the board of several subsidiaries of the Group and does not hold any directorship in any listed entities and public companies.

Dato' Sri Lim Hock Seong is a brother of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

KEY SENIOR MANAGEMENT PROFILES

LIM KIM KIAT

Deputy Chief Executive Officer

Male

Age 36

Malaysian

Date of Appointment
14 January 2022

MR. LIM KIM KIAT graduated with an Honours Degree in Bachelor of Engineering (Engineering Management - Mechanical & Manufacturing) from The University of Melbourne, Australia in 2008.

He started his career with LBS in 2009 in the Corporate Finance Department where he was heavily involved in matters related to corporate planning and financing, as well as treasury management aspects of LBS and its subsidiaries. He has since taken on various responsibilities which include commercial and corporate banking, cash and capital management, treasury risk management as well as investor relations, in which he has gained extensive knowledge and exposure in the finance and treasury functions within the real estate industry. He is also overseeing the digital transformation team and plays a pivotal role in driving LBS' digitalisation effort.

He was promoted to General Manager of Treasury Department in 2019, overseeing the operations of the Treasury Department and continues to contribute to the corporate financing and planning, corporate exercises, investor relations and digital transformation journey of the Group. On 30 June 2020, he was appointed as Alternate Director to Dato' Chia Lok Yuen and was promoted to Executive Director following the resignation of Dato' Chia Lok Yuen as Executive Director of the Company on 1 January 2021.

To better reflect the Company's strategic priorities and strengthening of corporate governance structure, Mr. Lim Kim Kiat has resigned as Executive Director and was re-designated as Deputy Chief Executive Officer of the Company on 14 January 2022, in which he is heavily involved in the company's strategic planning and directing the execution of new plans.

He currently sits on the board of several subsidiaries of the Group and does not hold any directorship in any listed entities and public companies.

Mr. Lim Kim Kiat is a son of Tan Sri Dato' Sri Lim Hock San (Executive Chairman) and nephew to Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

KEY SENIOR MANAGEMENT PROFILES

PUAN SRI DATIN SRI KAREN WANG SWEE HONG

Senior General Manager of Information Technology

Female

63 years old

Malaysian

Date of Appointment
1 January 2014

PUAN SRI KAREN began her career with the LBS Group since September 1982. She first joined the company as an Office Administrator after completing the ICSA course in London, UK. Throughout her years of employment, Puan Sri has served as the Company Secretary, Personal Assistant to the Managing Director and Head of the Administration and IT Department.

With the technical team in IT Department, Puan Sri oversees the components for licensed software and hardware, the telecommunications system, network infrastructure, application servers, access card system, office equipment and the maintenance of computer peripherals within the LBS Group.

Puan Sri also continues to serve in the LBS Group's social and recreational activities as the Adviser of LBSclub since 2003. LBSclub is managed by a group of committee members who are nominated on an annual basis and serves as a platform for the company personnel to enjoy a variety of social and recreational activities such as monthly birthday celebrations, special contests, fun games, bowling tournaments, treasure hunts and team-building events.

Notes:

She is the spouse of Tan Sri Dato' Sri Lim Hock San (Executive Chairman) and sister-in-law of Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

CHEN SAU HIONG

Senior General Manager of Project

Male

60 years old

Malaysian

Date of Appointment
1 January 2021

CHEN SAU HIONG joined LBS in July 2011. He holds a Bachelor of Science in Construction Management from Heriot Watt University, UK. He is a Corporate Member of Chartered Institute of Building, UK.

He has more than 30 years of experience in the property development industry with a wealth of experience in planning, development, implementation and maintenance over various projects spanning from the housing sector to the commercial and multi-storey development.

Prior to joining LBS, he had been working in a public listed company for 20 years and gained extensive experience in project management and other related disciplines. Within his current role, he is responsible for the planning and implementation of building and infrastructure of property developments under the Group, particularly projects in the Klang Valley.

KEY SENIOR MANAGEMENT PROFILES

CHANG YEE KHIM

General Manager of Accounts and Finance

Female

57 years old

Malaysian

Date of Appointment
1 May 2006

CHANG YEE KHIM joined LBS in 2000. She holds a Bachelor of Science (Honours) Degree majoring in Accounting and Economics from the University of Ulster, the United Kingdom. She started her career in a Chartered Accountancy firm in the United Kingdom where she worked for six years, gaining various audit exposure. Following her return to Malaysia, she joined an entertainment group as Accounts Manager, reporting directly to the Chief Financial Controller on accounting matters.

After four years of service in the entertainment group, she joined LBS to assist in the listing exercise for LBS on Bursa Malaysia's Main Market which saw the Group officially listed in 2002. Following this, she was appointed to head the Corporate Finance Department where she was responsible for the Group's corporate exercises, bank borrowings and cash flows. During this time, she gained extensive exposure in accounting, finance and general management in the property development industry. She was later promoted to head the Accounts and Finance Department to oversee the accounting function of the Group.

CHONG SIEW PHENG

General Manager of Treasury

Female

48 years old

Malaysian

Date of Appointment
1 January 2019

CHONG SIEW PHENG holds a Master of Business Administration (MBA) in Finance and Bachelor of Social Science, Degree majoring in Economics from University of Malaya, Malaysia.

She has 21 years of experience in the property industry. Prior to joining LBS, she had worked in a property development company in charge of Sales and Credit Administration. She joined the Group in May 2003 in the Marketing Department. In 2009, she took up a new challenge in corporate finance, responsible for the project financing in the Group. She was later promoted to be the Head of Treasury Department on 1 January 2012. As part of her personal and professional development, she subsequently pursued MBA in Finance and completed the course in 2018.

She holds her current position of General Manager of the Treasury Department since January 2019 and is responsible for cash management, budget allocation, project development funding and corporate finance of the Group.

DORIS LEE CHING CHING

General Manager of Secretarial & Corporate Affairs

Female

53 years old

Malaysian

Date of Appointment
1 May 2006

DORIS LEE CHING CHING joined LBS in 2002. She is a Fellow member of the Institute of Chartered Secretaries and Administrator in the United Kingdom (FCIS). She also holds a Certificate in Professional Photography from Han Chiang Acadamy of Journalism and had obtained a Certificate in Investor Relations (CIR), UK in 2010.

She started her career with an international banking group in 1991. One year later, she left the banking industry and started her practice in chartered secretaryship under the secretarial arm of an international public accounting firm where she gained extensive exposure in various areas including corporate exercises, listing and other special assignments.

In 1997, she joined Instangreen Corporation Berhad ("ICB") as a Company Secretary overseeing the corporate compliances and public affairs of the Group. Subsequent to the completion of the restructuring of ICB Group under the auspices of the Special Administrators appointed under the Pengurusan Danaharta Nasional Berhad Act, 1998, wherein ICB became a wholly-owned subsidiary of LBS, she was transferred to LBS in April 2002.

She is the Company Secretary of the Group and is responsible for the statutory compliances and corporate affairs of the Group.

KEY SENIOR MANAGEMENT PROFILES

MOHD NASIR ISMAIL

General Manager of SCAPES Hotel

Male

55 years old

Malaysian

Date of Appointment
7 September 2020

MOHD NASIR ISMAIL joined the Group in September 2020. He is a Diploma holder in Hotel Management under the Malaysian Association of Hotels Training Education Centre (MAHTEC) and Singapore Hotel and Tourism Education Centre. He is also a certified examiner for Hotel Star Rating from Kementerian Pelancongan Dan Kebudayaan Malaysia.

Prior to joining LBS, he had worked with various well-known and reputable hotels such as E&O Residences Kuala Lumpur, Jazz Hotel Penang and Vivatel Kuala Lumpur as a General Manager and was a committee member of Malaysian Association of Hotel ("MAH") for Kuala Lumpur Chapter. Currently, he is a committee member of MAH for the Pahang chapter.

SALLY LAU SAU KHENG

General Manager of Sales and Marketing

Female

56 years old

Malaysian

Date of Appointment
1 January 2011

SALLY LAU SAU KHENG has been working with the LBS Group since May 1994. Prior to joining the Group, she worked with a well-known leading local bank for three years where she derived exposure in banking administration affairs and built up her skills in client relations. Sally first joined LBS Group's Credit and Sales Department where she gained extensive experience in sales administration, credit control, customer relations, marketing and promotion. She was promoted to head the Sales and Marketing Communications Department in July 2005 to oversee the operations of the department and was also involved in product planning and promotion, market trends monitoring and aiding in pricing strategy. In July 2009, she was promoted to Assistant General Manager and in 2011 she was promoted again to General Manager of the Sales and Marketing Department. Aside from being in charge of the sales and marketing activities of the Group, she is also responsible for the branding function.

WONG KAH YEEN

General Manager of Credit Administration

Male

54 years old

Malaysian

Date of Appointment
1 August 2014

WONG KAH YEEN joined LBS in September 1999. He graduated from the London Chamber of Commerce and Industry with a Third Level Group Diploma in Cost Accounting and Business Management from a local Institute Examination Board (Associated College of The University of Wales, the United Kingdom).

Prior to joining the Group, he served as Operation Officer with a leading local bank for seven years. He had gained extensive experience including loan review, security and loan documentation, loan disbursement, and customer banking operations.

Throughout the years in LBS, he has accumulated various experiences in property management, sales & marketing, and credit administration. With such extensive experience across various business functions, he has established an effective collaboration and communication with the law firms and finance institutions.

As Head of Credit Administration, he is responsible for the overall credit functions of LBS Group, where he strategises and implements internal controls and processes to facilitate the day-to-day credit and collection functions.

KEY SENIOR MANAGEMENT PROFILES

STEWART TAN SENG TEONG

General Manager of
Zhuhai International Circuit

Male

62 years old

Malaysian

Date of Appointment
26 November 2009

STEWART TAN SENG TEONG has been with the Group since 2005. Prior to joining the Group, he already had more than 30 years of experience working and running his own businesses in China, both in the mainland and Hong Kong Special Administration Region.

He began his career in the Hong Kong share market in the late 80s when he co-founded Le Conte, a well-known chocolate manufacturer in China. In 1992, he collaborated with the Zhuhai government to organise the BPR Global Endurance GT race and the first street race in China. Following the event's success, both parties further collaborated to build the Zhuhai International Circuit ("ZIC"), the first racing circuit in mainland China.

Under Mr Tan's leadership, Zhuhai International Circuit Limited ("ZICL") has gone on to produce China's first racing school, the nation's first formula racing series and more. His efforts also won him the Business Operator of the Year at the 6th China Motorsports Award in 2012 as well as various national awards for the ZIC.

Currently, he is a member of the Board of Directors in ZICL and the General Manager responsible for the overall operation and management of ZICL includes but is not limited to the circuit operation, business diversification, ZIC Upgrading & Transformation Plan, outsourcing and consultation services.

Additional Information for Directors & Key Senior Management

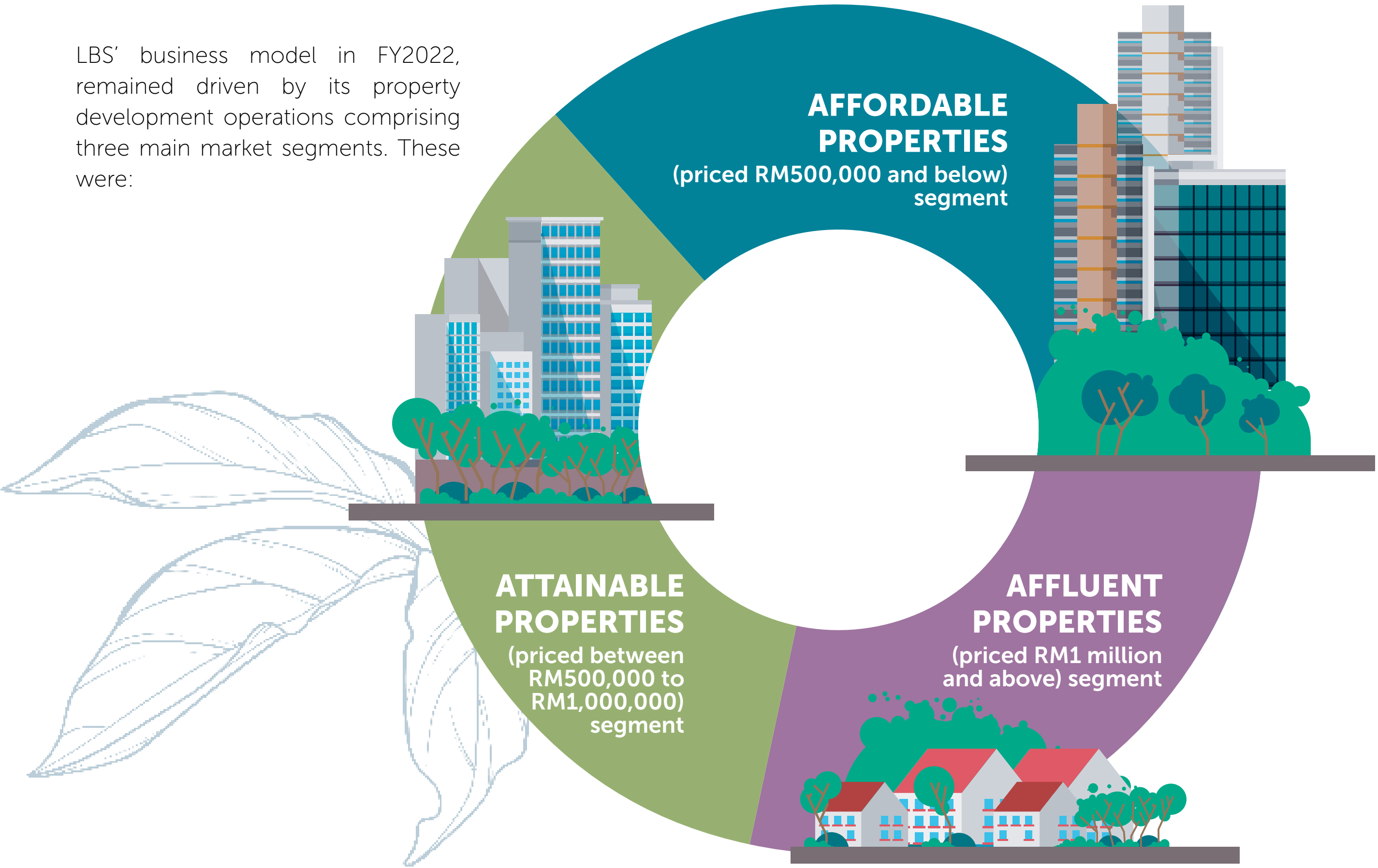
Save as disclosed, the members of the Board and Key Senior Management do not hold any directorship in any listed entity and public companies, have no family relationship with any Director and/or Major Shareholder of LBS, have no conflict of interest with LBS, have not been convicted of any offences within the past five years other than traffic offences and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

03

OUR BUSINESS MODEL AND VALUE CREATION STRATEGIES

OUR BUSINESS MODEL

LBS' business model in FY2022, remained driven by its property development operations comprising three main market segments. These were:



Properties across all three segments were supplied through large-scale township developments, standalone developments (primarily comprising high-rise projects) as well as commercial and industrial developments.

This multi-pronged approach comprising of a fundamental business core centred on affordable properties supplemented by higher margin products provided LBS with a strong revenue base (attributed to stable yet growing market demand from an expanding middle-income demographic).

LBS Alam Perdana township @ Bandar Puncak Alam

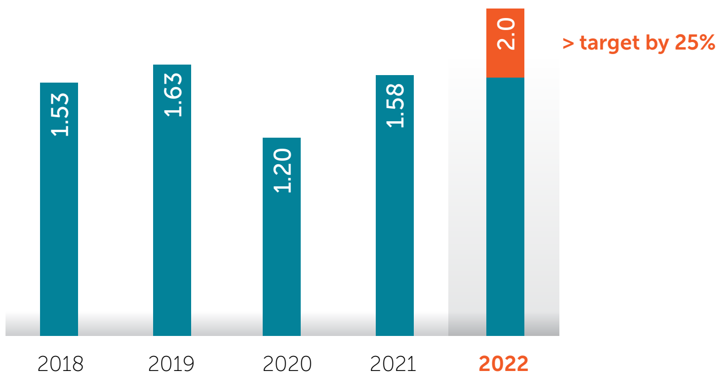
At the same time, LBS also benefited from being able to tap more lucrative, niche segments. The exposure to both lower margins, but higher volume products as well as higher margin but typically lower volume offerings provided LBS with a degree of insulation to market shocks and ensured resilience that supported the continued creation of financial and non-financial values.

OUR BUSINESS MODEL

For FY2022, LBS once again surpassed its sales target, registering property sales of RM2 billion, a 25% increase year-on-year (FY2021: RM1.58 billion).

ANNUAL PROPERTY SALES

(RM Bil)

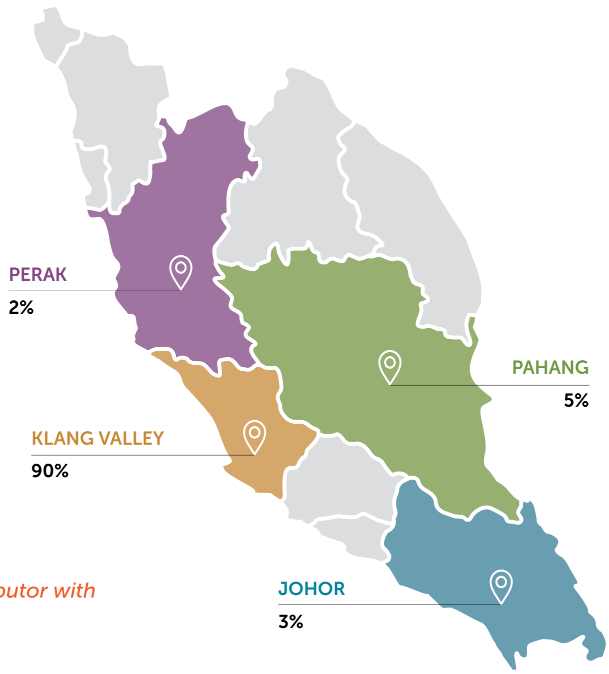


2022
SALES TARGET
RM1.6 BILLION

2022
SALES ACHIEVED
RM2.0 BILLION
(surpassed target by 25%)

PROJECT SALES OVERVIEW

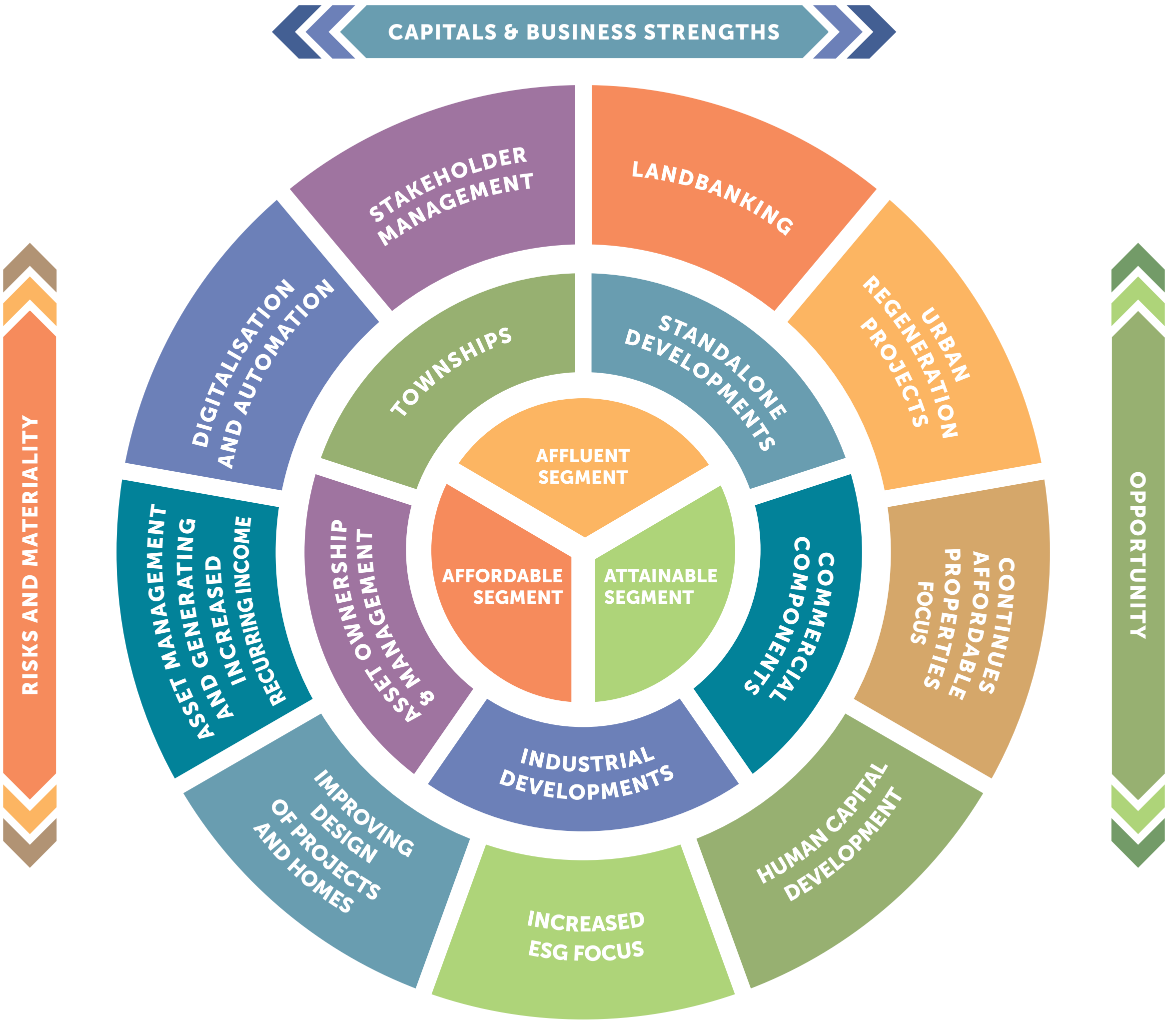
2022 Project Sales Overview
- Breakdown of sales by region

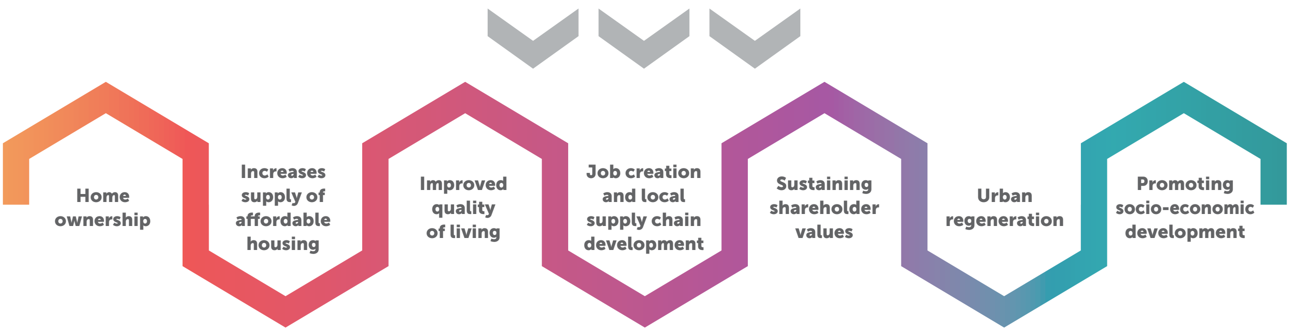


Klang Valley remained as the main contributor with 90% of overall 2022 sales

The entire business model functions in a dynamic relationship between external market forces, financial and non-financial capital requirements, emerging risks and opportunities.

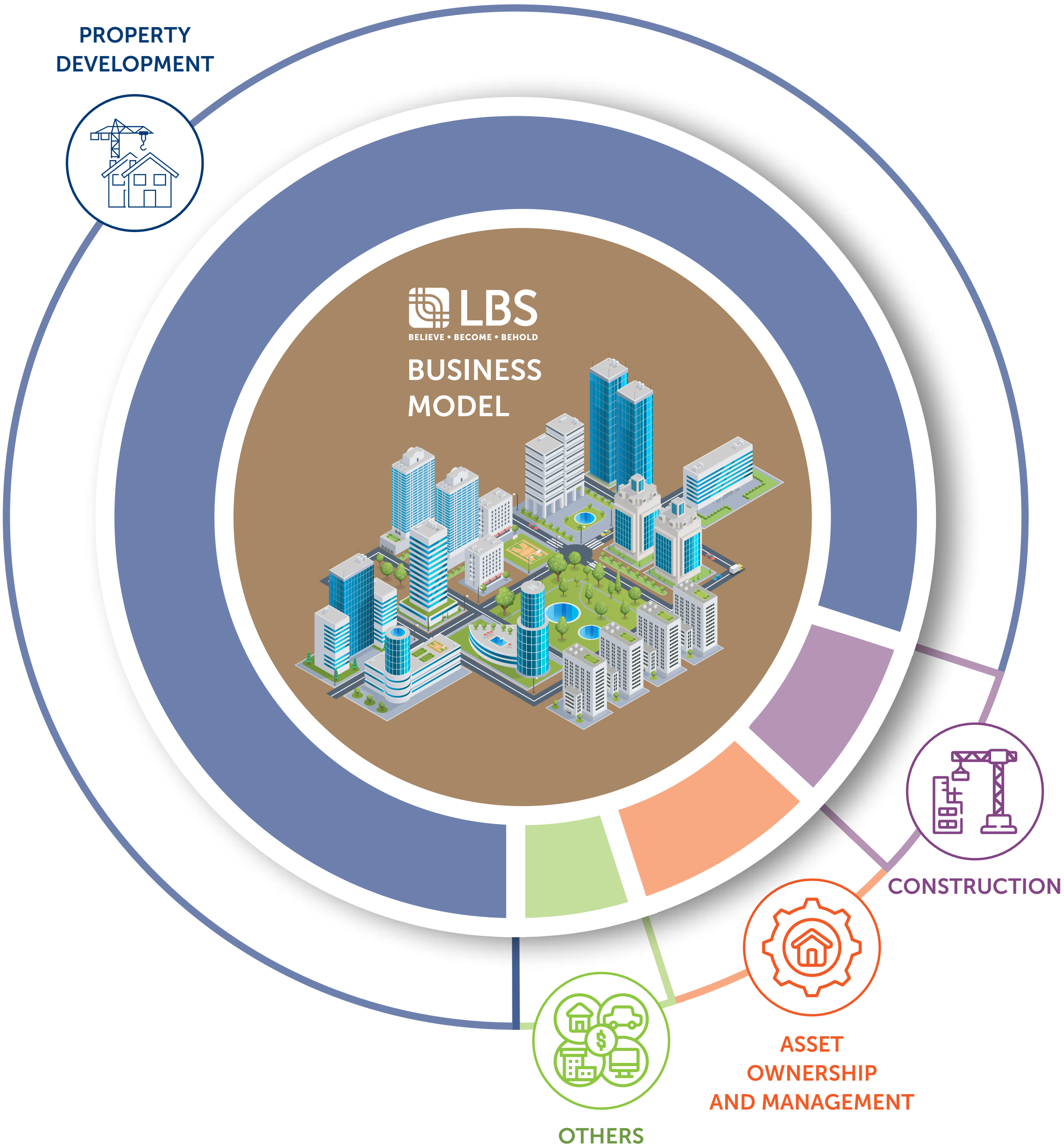
OUR
BUSINESS MODEL





OUR BUSINESS MODEL

Apart from property development, LBS' business model also includes retail asset (hotel and tourism) ownership and operations for the generation of recurring income. This presently comprises a smaller segment of the Group's operations but has been earmarked for future growth in line with Management's value creation strategies.



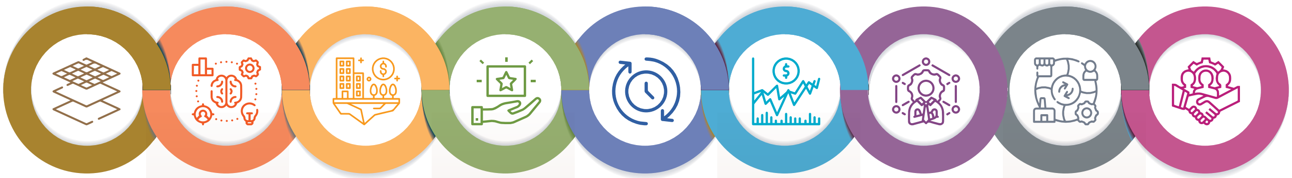
Please refer to the following section: Leveraging Opportunities - Strategic Priorities And Future Orientation for more information.

OUR
BUSINESS MODEL

BUSINESS STRENGTHS SUPPORTING THE BUSINESS MODEL

LBS' ability to effectively execute its business model is attributed to the Group's inherent business strengths.

LBS' BUSINESS STRENGTHS



IBS based construction capabilities	Innate market understanding and property knowledge	Strategic Landbank	Established, trusted brand	Quick turnaround approach	Robust financial position	Township Developer And market Phaseability Capabilities	Diverse, local supply chain	Strong Stakeholder Relationships

LBS is supported by its subsidiary, MGB Berhad (MGB), which is an experienced and technically proficient construction player. Leveraging on MGB's capabilities enables LBS to adopt a quick turnaround development approach with precision build achieved through the Industrialised Building System ("IBS").

However, apart from construction capabilities, another key strength is LBS' innate understanding of the local market, especially the affordable segment.

The Group has consistently proven its capabilities in delivering affordable properties that feature good design and build quality, in strategic locations that offer excellent accessibility and connectivity, together with community facilities and amenities.

Melodi Perdana at LBS Alam Perdana township

Collectively, LBS' strengths enable the effective execution of the business model and in achieving operational flexibility and various strategic advantages. These include faster time to market, efficient cost and project control, reduced wastage, environmental and social impacts, higher and improved consistency in build quality and a distinctive ability to undertake and deliver large-scale affordable home projects within budget, on time and within cost.

OUR BUSINESS MODEL

More importantly, LBS is able to deliver consistent quality in the design and build of such properties while continuously rolling out such developments within a short time frame (from project launch to completion of construction and handover of vacant possession).

Kindly refer to the **Business Model At Work section** for more information on the Group's Value Chain.

INHERENT BUSINESS STRENGTHS	SIGNIFICANCE TO THE BUSINESS MODEL/VALUE CREATION
IBS BASED CONSTRUCTION CAPABILITIES	Backed by subsidiary MGB, LBS has an effective in-house construction company, with fully integrated construction expertise including industry leading IBS capabilities. The use of IBS through MGB for LBS' development, enables faster and more efficient design and construction of homes. It reduces wastage and dependence on manual labour and also defects in the building and construction process. All of these, equate to faster completion of projects, improved quality and greater cost efficiency.
INNATE MARKET UNDERSTANDING AND PROPERTY KNOWLEDGE	LBS' vast experience in developing affordable homes has enabled the Group to develop a distinctive, competitive edge. This includes specific knowledge on managing resources, conceptualising practical layout and designs of homes as well as the master plan. Other unique expertise which the Group has developed over the years including determining optimum spatial and plot ratios, required facilities and amenities, infrastructure as well as marketing of affordable properties. Ultimately, LBS' innate and unique knowledge and skillset enables it to deliver the best value proposition at price points that meet the affordability threshold of middle income buyers. In addition, LBS is helmed by competent industry professionals with vast experience and diverse expertise. The skills and capabilities of management include competences related to the construction and property development industry as well as other areas such as branding and marketing, risks mitigation, sustainability, finance, community and stakeholder relations and others. The collective ability of Senior Management provides LBS with a distinct capability that enables the Group to continue creating value for itself and its stakeholders.
STRATEGIC LANDBANK	The Group's 2,972 acres landbank comprises strategically located land parcels in the Klang Valley as well as other strategic locations nationwide. The size and location of the landbank enables multiple development options in terms of masterplanning and project concepts. The Group's landbank also continues to appreciate in value annually further strengthening the value of Group assets.
ESTABLISHED, TRUSTED BRAND	The LBS brand, developed over the years is synonymous for quality, affordable homes and consumer-oriented lifestyle concepts. Many of LBS' projects have secured various prestigious property awards, an attestation to the quality of the concept, build and lifestyle afforded by these developments. The strength of the positive reputation and perception translates into continued strong traction for new projects launched by the Group. A significant number of LBS buyers are repeat buyers, or referrals from family and friends who have invested in an LBS property.

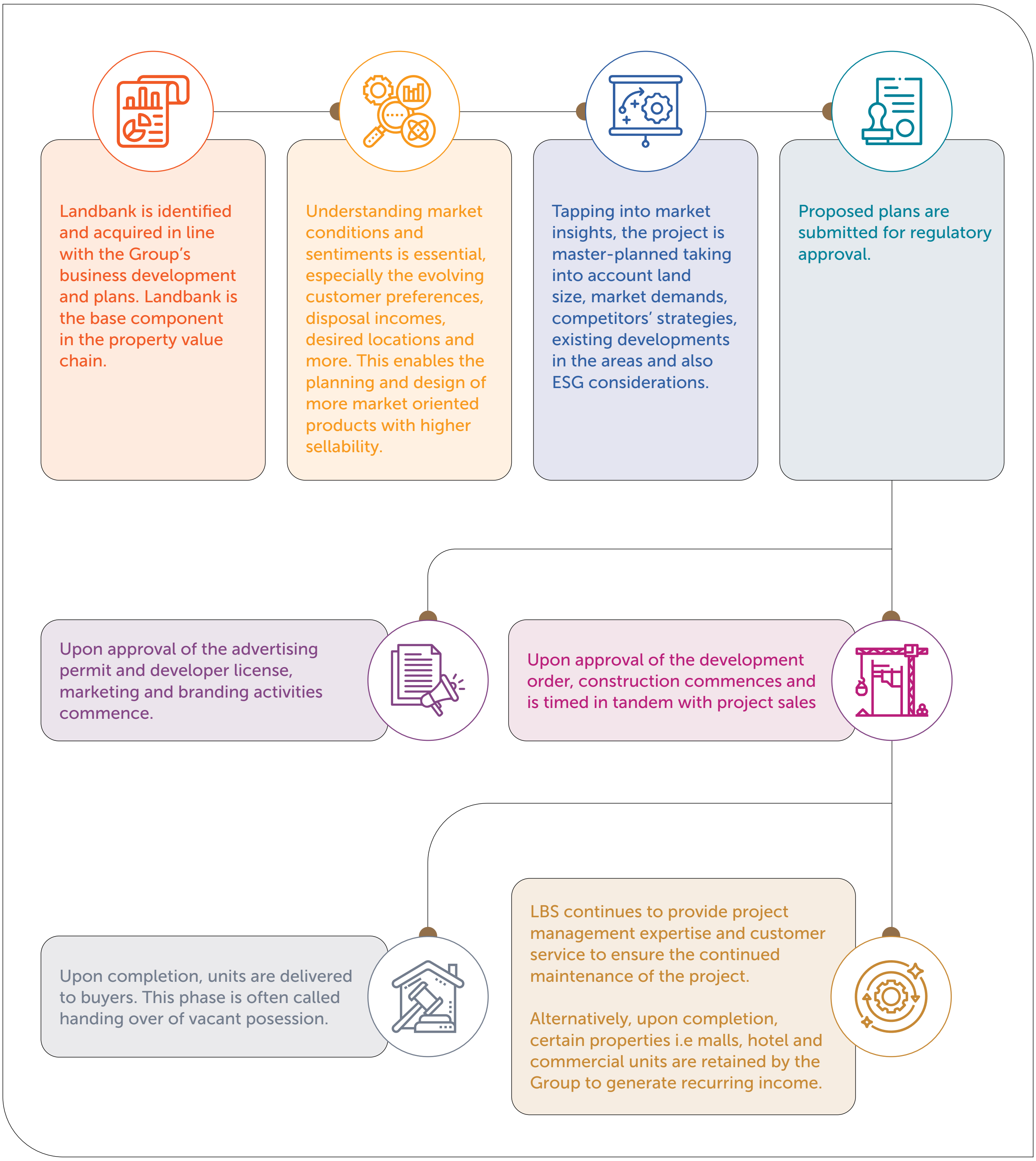
OUR BUSINESS MODEL

INHERENT BUSINESS STRENGTHS	SIGNIFICANCE TO THE BUSINESS MODEL/VALUE CREATION
QUICK TURNAROUND APPROACH	With LBS being in control of most stages of its property development process, the Group is best positioned to plan, design, launch and build projects in a systematic fashion. This enables a faster market turnover of projects from start to end. The same also enables closer control of projects for optimum cost and operational efficiency while ensuring quality control.
ROBUST FINANCIAL POSITION	The Group maintains a healthy cash and asset position with liabilities and commitments remaining comparatively low. This enables the Group to quickly purchase landbank or launch projects or to undertake necessary CAPEX i.e. investments into new technology and more. Financiers such as banks also are more supportive of providing loans and other forms of support to LBS given the latter's strong balance sheet. LBS' robust financial position enables the development of other capitals including manufactured, human, social and intellectual.
TOWNSHIP DEVELOPER AND MARKET PHASEABILITY CAPABILITIES	As a developer of townships, LBS is able to design large scale master plans for developments that deliver a vibrant socio-economic impact over the short, medium and long-term perspectives. The Group is also able to leverage on phase-ability, launching specific phases in tandem, with market sentiments and operating conditions to maintain strong control on its capital outlay. The overall control enables LBS to effectively plan and realise its vision for the township, while maintaining control on costs and other aspects of the development process.
DIVERSE, LOCAL SUPPLY CHAIN	LBS is supported by a proven network of suppliers across its value chain, who are able to supply quality goods and services at competitive pricing. The savings are passed down to buyers resulting in continued affordability of products. In addition, many of these suppliers have adopted LBS' stringent and committed approach to ESG and thus also subscribe to the same high standards for labour, corporate governance, anti-corruption and, environmental and, social performance. Thus, LBS is progressively contributing to the development of a more sustainable value chain within the construction and property development industry.
STRONG STAKEHOLDER RELATIONSHIPS	LBS continues to maintain and strengthen its stakeholder relationships, particularly relationships with regulators, investors, local communities and customers. The rapport developed has enabled LBS to strengthen its brand reputation as a community focussed property developer, who contributes to nation-building and supports the government's aspirations of providing more affordable homes and quality living for Malaysians.

OUR BUSINESS MODEL

THE BUSINESS MODEL AT WORK

Following is a concise illustration of LBS' property value chain that illustrates how the Group executes its business model. Further information is provided in the table below in terms of linkage of each stage of the value chain to business strategies, capitals and material topics.



OUR BUSINESS MODEL

STAGE	CONSIDERATIONS	CAPITALS UTILISED	BUSINESS STRATEGIES	MATERIAL MATTERS/ RISKS
Landbank Acquisition and Replenishment	Increasingly, ESG considerations are having a greater influence in landbank acquisition as well as the maintenance of land parcels. As much as possible, land to be acquired should not be within close proximity to areas of high biodiversity or high conservation value ("HCV"). Where possible, trees and other natural features on acquired land is to be retained, restored or enhanced. Beyond ESG considerations, landbank is to be acquired at appropriate pricing with the valuation of land (based on price suitability) assessed using various internal ratios. The Group presently does not have a scarcity of land issue given its focus on developing townships in suburban areas 20-40km from the city centre as well as its financial strength to acquire new landbank as and when required.		• Landbanking • Risks And Mitigation • Continued Affordable Properties Focus • Stakeholder Management • Increased ESG Focus	• Economic Values Generated • Product Quality and Responsibility • Landbank • Waste Management and Recycling • Biodiversity • Corporate Governance and Anti-Corruption • Regulatory Compliance
Market Research/ Feasibility Study	Market research studies are conducted towards establishing a clear idea of project suitability in line with lifestyle aspirations and desires, affordability, and other socio-demographic considerations. Increasingly, such studies also include buyers' appetite for ESG considerations such as options to install solar panels, water saving features and more. Present market studies show that aside from customary concerns such as pricing, location and the existence of communal facilities as well as accessibility and connectivity, ESG considerations such as water shortages, flash floods, landslides as well as overall ambient temperature are increasingly appearing on buyers' wish-list.		• Stakeholder Management • Digitalisation And Automation • Improving Design Of Projects And Homes • Increased ESG Focus • Continued Affordable Properties Focus • Urban Regeneration Projects	• Customer Satisfaction • Product Quality and Responsibility • Economic Values Generated • Data privacy and security

OUR BUSINESS MODEL

FINANCIAL	MANUFACTURED	INTELLECTUAL	HUMAN	SOCIAL	NATURAL

STAGE	CONSIDERATIONS	CAPITALS UTILISED	BUSINESS STRATEGIES	MATERIAL MATTERS/ RISKS
Design & Masterplanning	Focus is on the viability of the township or development over the short, medium, and long-term perspectives. The master plan must deliver a strong socio-economic stakeholder impact. Key aspects include affordable pricing, appealing lifestyle concepts that optimise plot ratios and also ESG features/aspects. Increased requirements for green features in projects can impact project design plans as well as affect the speed of regulatory approvals.		• Digitalisation And Automation • Improving Design Of Projects And Homes • Increased ESG Focus • Continued Affordable Properties Focus • Human Capital Development	• Green Buildings and Development • Supply Chain Management • Digitalisation and Technology • Product Quality and Responsibility
Regulatory Approval and Project Financing	Development of commercially viable concepts that and comply with environmental and social impact assessments is vital to ensure faster regulatory approvals. It is essential that regulatory approvals be obtained swiftly to not delay project launch plans. Any delays in project launches may necessitate changes in the go-to-market strategies.		• Stakeholder Management • Increased ESG Focus • Continued Affordable Properties Focus	• Corporate Governance and Anti-Corruption • Regulatory Compliance • Local Community Development • Green Buildings and Development • Biodiversity • Effluent and Noise Management • Water consumption • Waste Management and Recycling • Climate Change and Emissions • Energy Management • Biodiversity

OUR BUSINESS MODEL

STAGE	CONSIDERATIONS	CAPITALS UTILISED	BUSINESS STRATEGIES	MATERIAL MATTERS/ RISKS
Project Launch	Project launches must be supported by marketing campaigns to secure sales. Increasingly, the preferred medium is digital mediums which allow for more effective reach and frequency with greater cost effectiveness However, marketing messages are also evolving amidst a post-pandemic environment where the attributes and value propositions of launched projects are supported by financing packages. Beyond the usual value propositions of property ownership, marketing messages must resonate with shifting lifestyle preferences such as a greater propensity to work-from-home, space optimisation and others. Matters to consider include achieving ROI based on budget spend.	 	• Digitalisation And Automation • Risk and Mitigation	• Corporate Governance and Anti-Corruption • Regulatory Compliance • Digitalisation and Technology • Product Quality and Responsibility • Economic Values Generated Customer Satisfaction
Construction Works	Project works must be completed on time, within budget and meet quality standards and regulatory requirements. In addition, build quality is vital in reducing defect complaints and expediting project completion to avoid monetary fines as well as enable faster handover of vacant possession units. While emphasis is on cost and production efficiency (which is significantly realised through the use of IBS), the focus is also on ensuring good environmental and social performance i.e. reducing wastage and carbon footprint, while ensuring regulatory compliance (with regard to effluents, air emissions and waste disposal). With regard to social impacts, the focus is on the value chain i.e. ensuring that all workers have been treated fairly and there are no violations of human rights.	  	• Digitalisation and Innovation • Risk and Mitigation • Stakeholder Management • Increased ESG Focus	• Occupational Safety and Health • Talent Retention and Development • Effluent and Noise Management • Water Consumption • Waste Management and Recycling • Climate Change and Emissions • Energy Management • Supply Chain Management • Digitalisation and Technology

OUR BUSINESS MODEL

FINANCIAL	MANUFACTURED	INTELLECTUAL	HUMAN	SOCIAL	NATURAL

STAGE	CONSIDERATIONS	CAPITALS UTILISED	BUSINESS STRATEGIES	MATERIAL MATTERS/ RISKS
Vacant Possession	A smooth and efficient handover of properties to buyers is essential in achieving and maintaining high customer satisfaction and cultivating positive customer relationships. It is imperative that during this stage, defect rectification is swiftly undertaken and as much as possible, to the buyers' satisfaction. All defects must be addressed within a stipulated period as per standard operating procedures ("SOPs").		• Stakeholder Management • Digitalisation and Innovation • Risks And Mitigation	• Product Quality and Responsibility • Customer Satisfaction • Digitalisation and Technology
Township/ Project Management And/Or Asset Ownership and Operations	As a community-oriented developer, LBS continues to maintain a presence in completed projects – providing township/ project management services for common facilities as well as building management services. At times, the Group retains selected properties (mostly commercial properties) towards facilitating a desired retail tenant mix to support the viability of the project. Other properties such as malls and hotels are either purchased or purpose built by the Group for ownership under a Build-Own-Operate ("BOO") model to generate recurring income.		• Stakeholder Management • Digitalisation and Innovation • Risk and Mitigation • Asset Management And Generating Increased Recurring Income	• Digitalisation and Technology • Economic Values Generated • Customer Satisfaction • Local Community Development • Talent Retention and Development • Succession Planning

OUR
BUSINESS MODEL

MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

LBS has identified its significant topics that are material to enterprise value creation. These are topics that may not only affect the business and operational performance of the Group, but may also impact environmental and social performance.

LBS where possible has provided quantitative data from external as well as internal sources to support the following narratives. Disclosures on matters material to enterprise value creation shall be strengthened further in subsequent integrated reports.

COUNTRY'S MACROECONOMIC PERFORMANCE

The property market is impacted by the country's economic conditions.

Consumer appetite for property is often influenced by macroeconomic conditions such as rising inflation and living costs, disposal incomes, bank interest rates, employment levels and more. This was evident during the pandemic period, when demand for properties were affected in tandem with negative economic growth and the loss of incomes for many Malaysians.

However, such co-correlations are typically more profound on the attainable and/or affluent (high-end) property segments. Demand for affordable homes is typically inelastic to economic conditions, buoyed by real demand from an expanding middle-income mass segment of buyers.

Economic recovery supports more aggressive market strategies by property developers. Improving economic conditions enable property developers to capitalise on a rebound in demand to launch more projects and with that, projects that offer not just affordable properties but also mid-range to higher-end offerings.

LBS could potentially benefit from developing properties with higher earnings margins while also launching more properties and acquiring landbank.

Post pandemic, Malaysia continues its economic recovery with FY2022 seeing the nation register 8.7% gross domestic product ("GDP") growth. Demand for properties continued to see strong traction throughout the financial year with both affordable properties and attainable properties seeing a significant growth in take-up compared to the pandemic years (2020-2021).

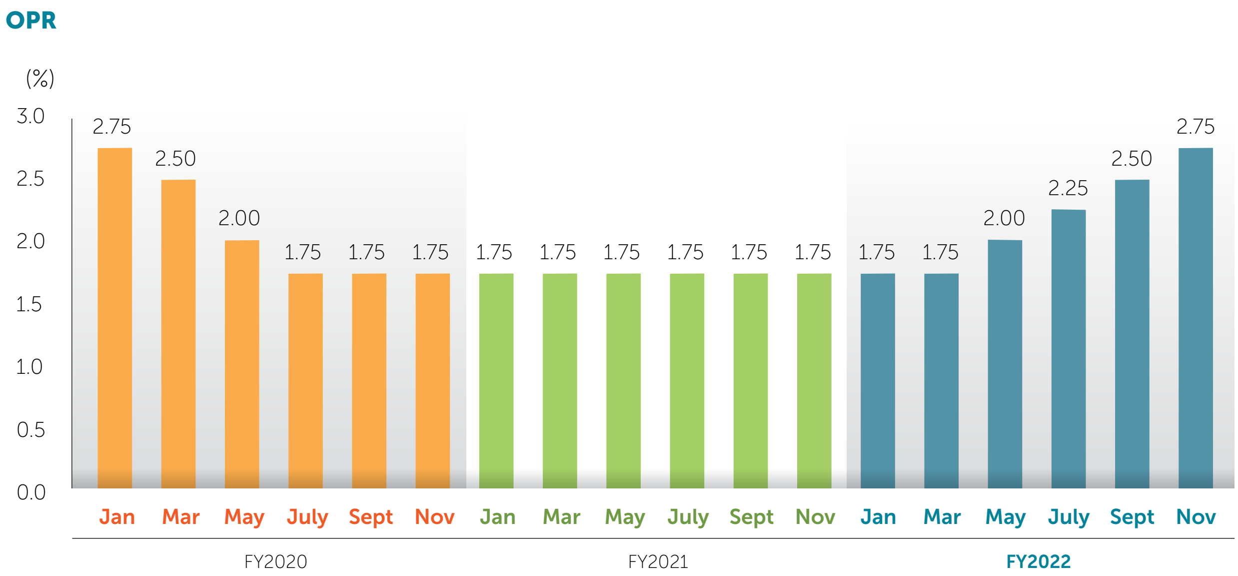
Aside from the ongoing economic recovery, demand for properties was also boosted by the government extending various incentives and ownership packages, especially for first time homeowners.

OUR BUSINESS MODEL

FISCAL AND MONETARY POLICIES

Upward revisions in the Overnight Policy Rate ("OPR") to curb inflationary pressures and provide stability to a depreciating Ringgit Malaysia led to higher borrowing costs for both property developers as well as property buyers.

In FY2022, OPR was revised upwards four times, each by 0.25 basis points. As at 31 December 2022, the OPR stood at 2.75% (FY2021: 1.75%).



Source: Bloomberg

Consequently, banks and financial institutions revised their Base Lending Rate ("BLR") upwards leading to higher loan interest rates and borrowing costs.

Granted, the hikes in OPR and subsequently BLR is in reality to restore interest rates to pre-pandemic levels, the rapid increases within a short timeframe of just 12 months resulted in a sudden hike in loan repayments for both property developers and property buyers. This may have impacted the overall appetite for properties as well as the present supply-demand dynamic.

OUR
BUSINESS MODEL

FLUCTUATION IN RAW MATERIAL PRICES

The property development business model is dependent on a wide range of raw materials for the construction of property units. These include direct inputs such as building materials (steel, cement, wood, etc.) as well as indirect inputs such as fuel and electricity consumption as well as water.

The Group sources its materials 100% from local suppliers and hence, is generally insulated from global supply chain shocks. However, in FY2022, with the ongoing recovery in economic activities, demand for raw materials increased significantly, resulting in various shortages in supply and subsequently, significant price increases.

The rising material costs contributed to increased development costs for several of LBS' projects.

QUALITY AND CUSTOMER SATISFACTION

Amidst stiff market competition, quality and customer satisfaction remain material to building customers' trust, in strengthening brand credibility and increasing the number of repeat property buyers.

High-quality build and finish also reduces defect rectification, which enables a speedier handover of properties and thus successful project completion. Among the Group's strategies to address quality issues are a systematic and stringent rectification process achieved through a robust ISO certified Quality Management System ("QMS").

LBS also subjects completed projects for QLASSIC assessment with many of its projects attaining scores around 70.

By utilising pre-fabricated components that are manufactured in a controlled environment, IBS enables faster construction, improved quality control, and cost savings.

OUR BUSINESS MODEL

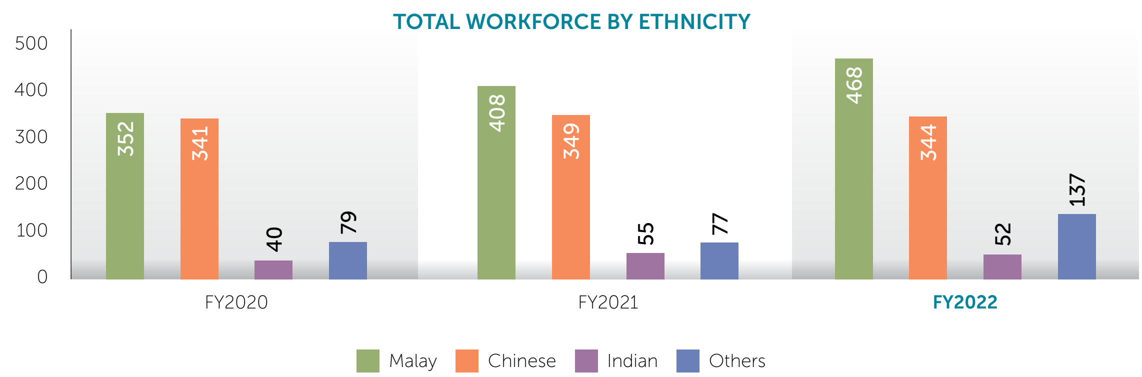
TALENT MANAGEMENT

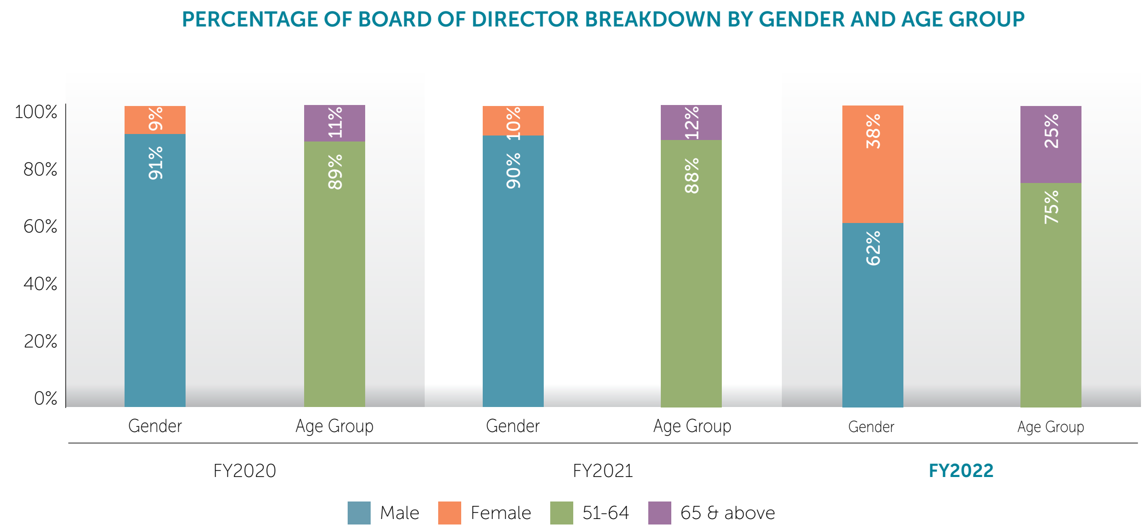
As LBS' business model continues to become more technology and ESG driven, the need for highly skilled, professional talent continues to increase.

Beyond the typical skill sets associated with the property development industry, employees with diverse and new skillsets are required. These include sustainability and risk professionals, technology experts, talent management and organisational culture development experts, governance and risk-based employees and others.

In addition, given the highly competitive talent market in Malaysia, retention of existing talent is vital towards ensuring continued optimum effectiveness of the business model. Talent retention is necessary to ensure internal company knowledge is retained rather than eroded over time.

LBS has established a strategic approach towards addressing its talent requirements. Please refer to the Strategies to Sustain Value Creation for more information.





Note: The percentage of Board of Directors composition based on gender and age group as at 18 April 2023.

OUR BUSINESS MODEL

REGULATORY COMPLIANCE, INCLUDING OSH

The increased scrutiny on business processes and operations including supply chains have necessitated a more stringent focus on regulatory compliance.

Regulators, investors and stakeholders place greater focus on labour management (notably the well-being of foreign workers primarily employed as manual labour at construction sites).

New legislation introduced as well as increased scrutiny have contributed to increased compliance costs. This, coupled with the ongoing foreign labour shortage (which further drives manual labour costs upwards), can impact financial performance while also impacting site productivity and project completion.

In FY2022, LBS introduced its Occupational Safety and Health ("OSH") Policy. The OSH Policy is intended to ensure that all LBS employees as well as third party workers can rest assured that their place of employment is safe and that all necessary safeguards have been put in place to ensure their health and safety.

It is also aimed at further inculcating the desired mindset among all stakeholders pertaining to OSH and that the highest standards for OSH are subscribed to at all times. The ultimate goal is to achieve and maintain a safe work environment and zero accidents in the workplace.

A detailed account of the Group's ESG performance for FY2022 is provided in the stand-alone Sustainability Report 2022 ("SR2022").

Essential First Aid, CPR (Cardiopulmonary Resuscitation) & AED (Automated External Defibrillator) training to equip employees with the skills and knowledge needed to respond to medical emergencies in the workplace

ENVIRONMENTAL CHANGES AND IMPACTS (ESG)

Increasingly, ESG issues such as climate change, labour rights and pollution are being closely linked with the construction and property development industries. The reason for this linkage is due to the resource intensive nature of both industries, with comparatively higher volumes of fuel, electricity, building materials and water consumed; and significant amounts of carbon and wastes produced.

The increased importance placed by the government, regulators, industry bodies as well as the media necessitates a rethink and a restart of the typical property development business model.

In tandem with this emerging trend of more sustainable business practices and business operations, LBS has also continued to focus on improving its ESG performance.

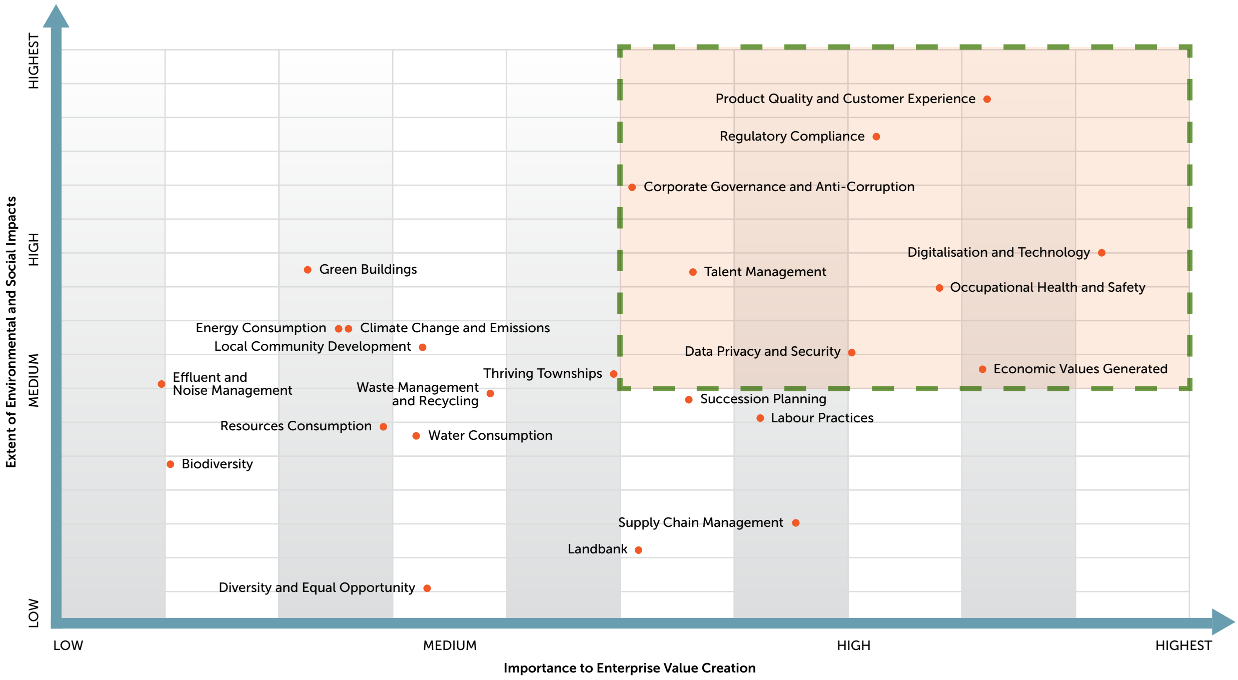
The continued use of IBS has enabled the Group to be more resource efficient, and to reduce wastage. Going beyond, LBS has looked to embed or institutionalise ESG within its business model and business operations.

A detailed account of the Group's ESG performance for FY2022 is provided in the stand-alone Sustainability Report 2022 ("SR2022").

OUR BUSINESS MODEL

Provided here is the Group's material topics and its materiality matrix: .

FY2022 MATERIALITY MATRIX



COMMUNITY DEVELOPMENT

Community development has always been a key focus area for LBS. The Group's vision and mission clearly reflect its ethos of creating a wide range of positive values that support the socio-economic development of society, and that the Group continues to create sustainable, holistic urban development.

In essence, LBS places community development as an integral aspect of nation-building.

Hence, beyond building properties, LBS' developments are conceived with mindfulness towards placemaking, providing developments that foster social interaction, that promote local entrepreneurs and commercial activities and provide much-needed community amenities and facilities.

The above is also supported through the provision of parks, green landscapes and more. LBS is also exploring the possibility of establishing measurements to quantitatively assess its social performance.

OUR BUSINESS MODEL

INDIRECT ECONOMIC VALUES CREATED

NO.	ITEM	FY2020 # RM'000	FY2021 RM'000	FY2022 RM'000
	VALUE CREATED AND DISTRIBUTED			
1	Economic value generated	1,113,271	1,379,594	**1,742,739**
2	Economic value distributed	1,083,636*	1,301,569*	**1,678,881**
3	Operating costs	846,938	1,044,339	**1,367,403**
4	Community investments	1,437	1,359	**1,576**
5	Employee salaries and benefits	74,090	83,747	**101,249**
6	Corporate taxation	61,136*	72,939*	**98,880**
7	Finance costs	67,536	61,490	**59,521**
8	Dividend expenses	28,043	28,855	**35,059**
9	Distribution to Perpetual Sukuk holders	4,456	8,840	**15,193**
10	Economic value retained	29,635*	78,025*	**63,858**

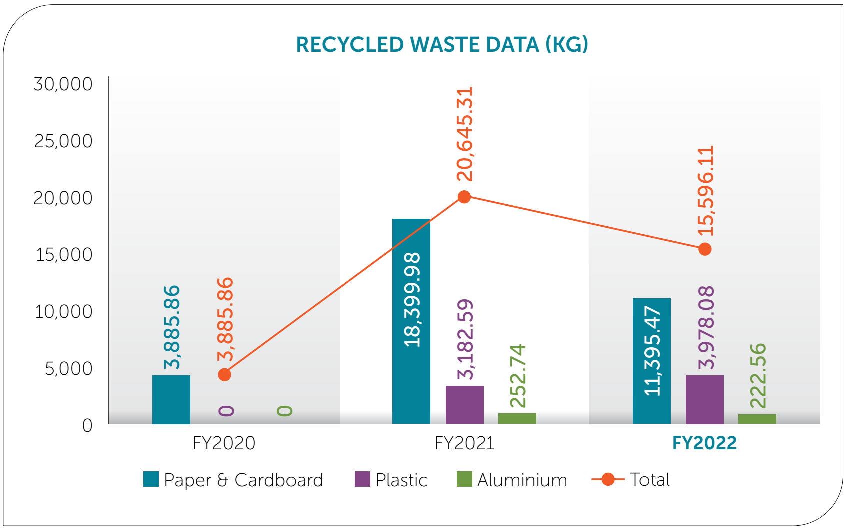
Remarks

\# *The comparative figures have been restated following the adoption of IFRIC Agenda Decision of MFRS 123 Borrowing Costs.*
* *Adjustments have been made to figures.*

WASTE MANAGEMENT AND RECYCLING

The property development sector typically produces large and diverse quantities of waste. These include effluents, air emissions and discarded building materials.

LBS usage of IBS has enabled a reduced waste footprint as compared to more conventional building and construction methods. However, while LBS enables reduction in waste, the Group believes it can further improve its management of waste produced, especially by recycling and repurposing waste.



OUR BUSINESS MODEL

RISKS AND MITIGATION

Having assessed its external operating environment and being cognisant of its material topics, LBS draws from this knowledge to identify its business, operational and financial risks, as well as risks arising from ESG related developments.

RISK	DESCRIPTION	MITIGATION MEASURES
INABILITY TO DEVELOP EFFECTIVE OVERSIGHT ON CLIMATE CHANGE AND ESG RISKS	The increasing focus by financial and other regulators on ESG performance, necessitates organisations to accelerate the development of oversight mechanisms for material ESG matters. Lack of strategic focus as well as lack of pace in developing such oversight may expose the Group to regulatory non-compliance and reduce access to financing as well as capital markets.	For FY2022, LBS has established KPIs to measure and monitor ESG performance for material topics. Among the key measures were the establishment of a Board Sustainability Committee, a dedicated Board level Sustainability Champion and the strengthening of governance across the Group, including establishing a working-level Sustainability Unit under the auspices of Program Management Office ("PMO"). In FY2022, key performance indicators ("KPIs") were identified to measure and monitor ESG performance for material topics. The Group is also exploring expanding its existing efforts on waste recycling, energy management and reduction, adoption of renewable energy and reduction of carbon emissions.
COSTS ESCALATION RISKS	Rising material/labour costs, especially caused by sudden supply chain shocks or changes in legislation that increase compliance costs can erode project earnings margins.	In response, LBS looks to offset material costs by improving operational efficiency to reduce wastages and to reduce production costs. The use of IBS systems through MGB was key to LBS responding effectively in mitigating rising material costs which are beyond the Group's control. LBS continues to implement various cost control strategies such as hedging, securing project supplies well in advance and also continues to stay abreast of changes in legislation towards avoiding non-compliance related costs.

OUR BUSINESS MODEL

RISK	DESCRIPTION	MITIGATION MEASURES
PROJECT COMPLETION RISKS	Any factors that delay works at project sites may affect the completion and handing over of vacant possession of properties. Such factors could include shortage of foreign labour, OSH incidents that lead to temporary disruption of work or permanent closure of sites or other factors. Delays in completion can lead to fines and penalties such as Liquidated Ascertained Damages (LAD).	LBS continues to implement stringent project management to ensure all construction sites continue to meet their progress schedule with all projects delivered on time.
INABILITY TO MEET SALES TARGET	The Group sets internal targets for property sales annually after considering a wide range of external and internal factors. However, any uncontrollable factors in the socio-political environment, or increasing market competition, or ineffective marketing and branding may affect sales of properties rendering targets unattainable.	LBS considers overall market sentiments, macro-economic conditions, and incoming property supply as well as existing unsold properties when setting annual sales targets. Past performance/track record of projects is also duly considered in the target setting mix. Thus far, LBS has continued to meet its sales targets even during the pandemic period. In addition, the Group caters to the affordable market segment, which generally sees stable sales with market demand generally resilient. The Group continues to focus on enhancing its marketing efforts and supporting sales by not just offering homes, but also financing and home ownership packages to drive sales.

OUR BUSINESS MODEL

RISK	DESCRIPTION	MITIGATION MEASURES
TECHNOLOGICAL RISKS	While technology is regarded as a business and value creation enabler, ineffective adoption can lead to increased costs and reduced productivity. Introduction of new technologies may require an acclimatisation period before the full benefits can be realised. There may also be a learning curve as personnel are trained and organisational changes are implemented.	LBS has proven to be technologically adept with its quick and successful implementation of IBS within its operations. The same was also evident in the Group's successful transformation in digitalising our business operations, which has greatly improved our internal processes. In mitigating the risks of unsuccessful adoption, technology shall be adopted in a phased approach to ensure the organisation and the workforce can gradually adjust to the changes. Adoption is also measured against set KPIs and if necessary, corrective action is taken to ensure implementation remains on track.
TALENT RISKS	Employee attrition remains a key issue and amidst a highly competitive talent market, LBS faces challenges in hiring staff and in replacing personnel who have left the organisation.	LBS has established a comprehensive talent management approach, which includes competitive remuneration, benefits, training, and various forms of rewards for staff. The Group continues to focus on internships and job placement programmes toward attracting high potential, young talents with a particular focus on local graduates.
DEFECTIVE QUALITY RISKS	Selection of unsuitable or impractical design concepts as well as poor quality control and assurance in the construction process may lead to finished products that do not meet LBS' high quality and exacting standards. This may lead to a longer than usual defect rectification period, not forgetting increased associated costs. Highly defective properties and dissatisfied customers impact the Group's image. It will also lead to extra costs incurred for defect rectification.	The use of IBS promotes greater consistency in design and build quality properties due to the system's stringent focus on exacting standards and specifications.

OUR BUSINESS MODEL

RISK	DESCRIPTION	MITIGATION MEASURES
FISCAL RISKS	Upward revision in interest rates brought on by changes in fiscal policies may lead to higher borrowing costs, especially on projects significantly financed through external borrowings. The higher financing costs may impact earnings margins of developers, especially on projects significantly financed through external borrowings. Similarly, a segment of property owners may face challenges in meeting their repayment commitments while others may be deterred by the higher loan interest rates. However, the impact on rising interest rates is likely to be more apparent in the attainable or affluent (high-end) property segments. Demand for affordable homes generally remains inelastic/less impacted by economic conditions. This is due to the inherent, stable demand for such homes, driven by an expanding middle-income demographic. In addition, buyers of affordable homes, especially first-time buyers can leverage a wide range of government assistance and incentives as well as flexible/innovative home ownership packages that enable Malaysia's mass-market, mid-range buyers to proceed with their plans to purchase a property.	Mitigation strategies include a mixture of internally absorbing rising costs brought on by inflation rates as well as transferring costs to projects. The increase in costs is expected to be marginal if financing costs is spread across multiple projects. Alternatively, the Group can also rely on internally generated funds to reduce dependence on external borrowings or seek funding from the capital markets via the issuance of new shares or debt instruments such as green bonds.

OUR BUSINESS MODEL

LEVERAGING OPPORTUNITIES - STRATEGIC PRIORITIES AND FUTURE ORIENTATION

i. LANDBANKING

Given the strategic importance of landbank in the property development model, LBS remains open to any opportunities on acquiring strategic landbanks to identify opportunities for growth and development.

The Group continues to focus on strategic land parcels for township or stand-alone developments in Selangor, the Federal Territory of Kuala Lumpur, Pahang, Perak and Johor, which are the five areas in which LBS has already established its branding and presence.

Landbank acquisition will be driven by the Group's business model which is to develop both townships as well as standalone developments.

Landbanking - Capitals and Strategies

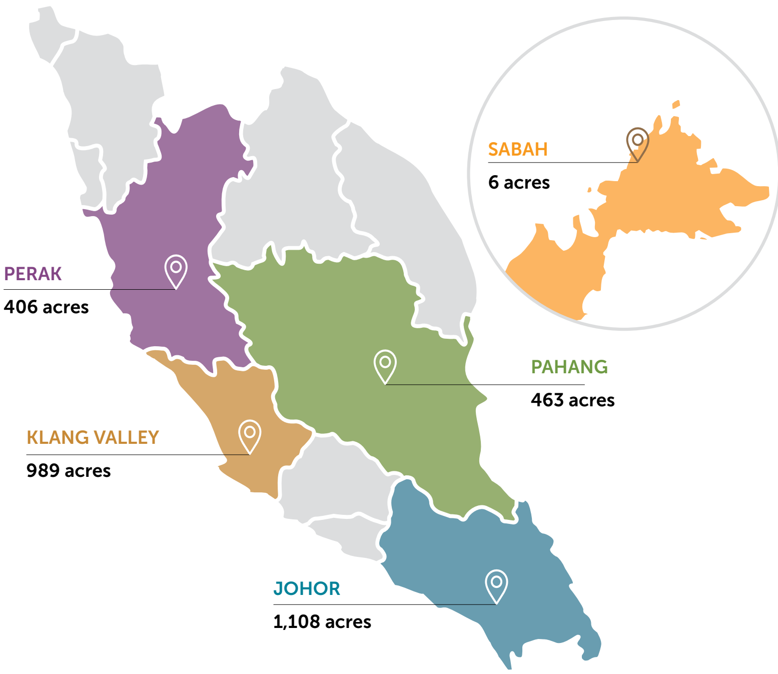
Landbanking is typically a resource intensive exercise involving significant financial investments as well as natural capitals. Utilising internally generated funds alone is not an ideal strategy for landbank expansion.

A combination of internally generated funds as well as external borrowings and where suitable, through undertaking joint venture ("JV") agreements with landowners offers a more commercially sustainable approach.

JVs in particular reduces the upfront costs of landbank as a wide range of strategical collaborations can be agreed with landowners. These include costs and profit sharing, equity partnership in projects and more. The Group may also sell existing land parcels towards unlocking capital gains or to raise capital.

FUTURE DEVELOPMENT LAND BANK

As at 31 December 2022



TOTAL ACREAGE

2,972 ACRES

OUR
BUSINESS MODEL

ii. CONTINUED AFFORDABLE PROPERTIES FOCUS

Given the strong, stable demand for homes priced RM500,000 and below, LBS will continue to focus on this market segment.

Despite earnings margins from other segments being typically higher, the affordable segment that caters to the middle-income, mass market of Malaysians remains strategic given it offers a strong, stable demand.

Properties priced RM500,000 and below continue to see strong traction nationwide and given LBS' proven expertise and experience in developing such properties, the Group will continue to prioritise affordable properties within its project launch mix.

The challenge for LBS (and all developers that build affordable homes) is to sustain home prices at an affordable range while maintaining margins against rising operational costs. Rising costs is mostly attributed to increasing material and labour costs.

In addressing the challenge, LBS shall focus on cost mitigation strategies to control rising operational costs. The Group aims to launch 9 new projects in FY2023, with a combined GDV of RM2.09 billion.

STATE	PROJECT	TOTAL UNITS	GDV (RM)
Klang Valley	KITA Bestari	817	418 mil
	Prestige Residence - Block B	725	313 mil
	Astella	155	139 mil
	BSP Sutera	421	199 mil
Johor	Imperial Garden	63	40 mil
	Emerald Garden	26	11 mil
	Pangsapuri Saujana Indah	988	436 mil
Pahang	Bayu Hills	642	482 mil
Perak	Taman Kinding Flora	184	49 mil
	Total	**4,021**	**2.09 bil**

Continued Affordable Properties Focus - Capitals and Strategies

LBS will continue to leverage on its inherent industry experience and capabilities including its IBS capabilities in developing market-oriented products and quickly launching them into market.

The development of affordable homes can also be viewed as a sustainability related endeavour – enabling more Malaysians to attain home ownership, which in many ways is akin to fulfilling a basic living need.

Key to LBS' focus is to keep prices affordable despite facing rising materials, labour, and construction costs. The approach will require continued focus on balancing between costs, quality, pricing and earning margins.

OUR BUSINESS MODEL

iii. URBAN REGENERATION PROJECTS

LBS aims to revive abandoned projects which is aimed at supporting community development and delivering a wide range of catalytic, socio-economic multiplier effects.

After two decades, 203 Idaman Warisan homeowners received their keys to their homes as a strategic consortium, involving LBS Bina Group Bhd, revitalised the abandoned project. Going further, the strategic consortium provided basic home appliances such as television sets, kitchen cabinets, air-conditioners, water heaters, and refrigerators for homeowners.

A consortium comprising PNSB Construction Sdn Bhd and LBS subsidiary, MGB Bhd signed a development right agreement with The Selangor government to build 1,800 units of affordable homes for RM250,000 each for the Idaman Cahaya development in Encorp Cahaya Alam. The proposed 1,800 housing units will be built over 16.56 acres with an estimated gross development value of RM450 million.

Following the signing of the agreement, the property project is expected to be launched within the next three years.

Key to realising this strategic aspiration is the identification and selection of suitable urban projects for revitalisation. Financial considerations such as acquisition and refurbishment/redevelopment costs must be duly weighed against potential benefits. This includes not just costs for the projects but also costs for supporting infrastructure such as roads, amenities and more.

Secondly, negative public perceptions towards abandoned projects must be overcome by assuring stakeholders and convincing them of the promising outlook and prospects of LBS' master plan.

Urban Regeneration Projects - Capitals and Strategies

Key to the success of LBS urban regeneration projects is the selection of suitable projects. Such projects preferably, should come with the necessary regulatory approvals and not be heavily encumbered with complex financial issues or equity ownerships.

More importantly, it is vital that the selected project(s) can be quickly turned around and completed to achieve optimal cost efficiency and time to market.

OUR BUSINESS MODEL

The Group plans to work with state and local governments as well as other property developers in reviving abandoned projects. Again, adopting a collaborative approach with multiple partners reduces risks exposure while enabling LBS to benefit from business and operational synergies.

Apart from financial and operational considerations, LBS will also consider the socio-economic multiplier effects of reviving abandoned projects. A key factor is how much stakeholder values can be generated from a single project and how will it continue to benefit local communities going forward.

The goodwill and improved stakeholder relationships developed from such projects will contribute to LBS' brand reputation as a community focused property developer.

iv. HUMAN CAPITAL DEVELOPMENT

As prior mentioned, a professional, technologically adept workforce is becoming increasingly essential to drive the business model and sustain value creation. LBS is cognisant of its need for talent and as such, has continued to invest in the recruitment, development, retention and rewarding of talent.

Human Capital Development - Capitals and Strategies

The Group's strategy is to position LBS as an Employer of Choice. The strategy focusses on the development of a conducive, high-performance organisational culture that would attract and retain desired talent.

The creation of such a culture is centred on the precepts of putting people first and developing a diverse and inclusive work environment, supported by the Group's core values of Believe, Become and Behold.

With regards to skills development, LBS continues to focus on the development of technical and soft skills as well as leadership capabilities. Kindly refer to SR2022 for more detailed information including data related to talent management indicators.

v. INCREASED ESG FOCUS

One of the strategic priorities/focus areas is the continued embedding of ESG across the business model. In essence, to develop a multi-capital or ESG perspective that guides decision-making.

The ESG perspective is to be delivered through the Group's Sustainability Framework which links ESG as an intrinsic part of value creation as defined in the Group's Vision and Mission:

VISION:

To be an internationally recognised developer, building and inspiring delightful spaces that enhance community living.

MISSION:

To consistently deliver exceptional performance through progressive creations, realising value to all stakeholders and enriching communities at large.

ECONOMIC

- Economic Values Generated
- Supply Chain Management
- Digitalisation and Technology
- Product Quality and Responsibility
- Landbank

ENVIRONMENTAL

- Climate Change and Emissions
- Energy Management
- Green Buildings and Development
- Effluent and Noise Management
- Water Consumption
- Waste Management and Recycling
- Biodiversity

SOCIAL

- Quality and Products Responsibility
- Customer Satisfaction
- Local Community Development
- Occupational Safety and Health
- Talent Retention and Development
- Succession Planning
- Equal Opportunity Workplace

GOVERNANCE

- Data Privacy and Security
- Corporate Governance and Anti-Corruption
- Regulatory Compliance
- Board Diversity

OUR BUSINESS MODEL

Increased ESG Focus - Capitals and Strategies

The embedding of ESG is given further impetus and strategic direction through a comprehensive materiality assessment process which has enabled the Board and Management to ascertain LBS' most significant material topics. In FY2022, the process culminated with the establishment of quantitative KPIs and targets to assess LBS' progress in addressing its significant material topics.

The set targets will be achieved through the implementation of various strategic measures across Group operations and eventually, the supply chain. Certainly, the pivot to drive ESG performance would require significant financial and other capital investments.

Through the Board Sustainability Committee and the Sustainability Working Committee, LBS will continue to closely track its performance.

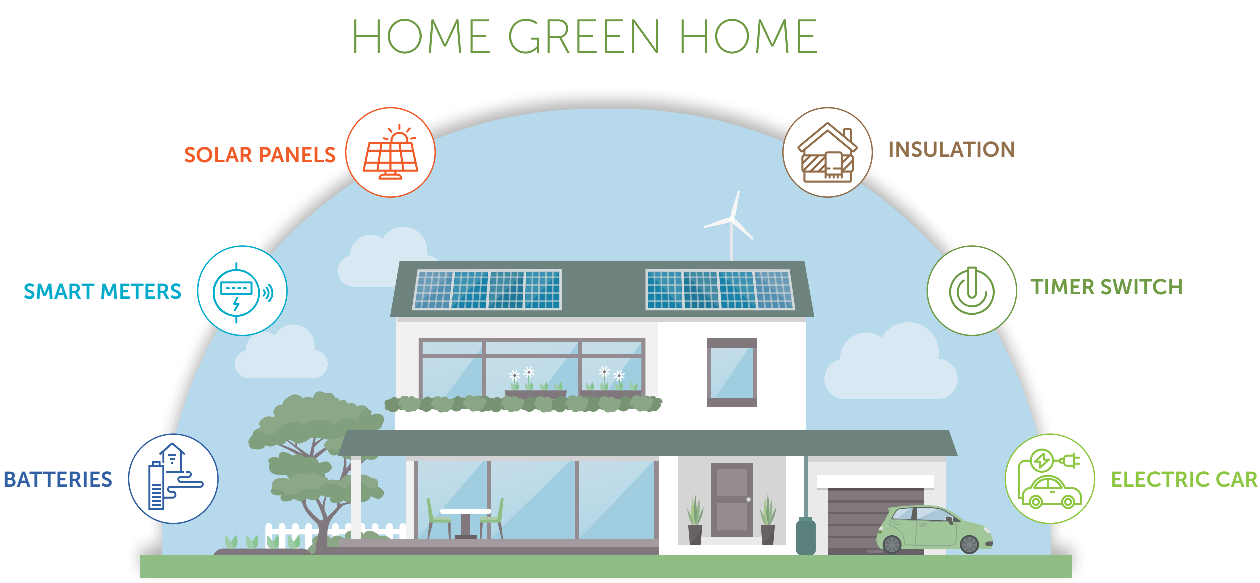
Kindly refer to SR2022 for more detailed information including data related to environmental and social performance as well as set KPIs and Targets. Among the key areas focussed on is adoption of RE, tree planting, improving energy efficiency, and preserving/enhancing biodiversity.

vi. IMPROVING DESIGN OF PROJECTS AND HOMES

In tandem with changing market preferences and ESG considerations, LBS will look into conceptualising new designs for homes or commercial properties.

These include the introduction of more innovative and trendy concepts that optimise living space, as well as potentially using building materials that provide better heat insulation and reduce air-conditioning usage (and thus electricity consumption).

Across the board, LBS will look to include more sustainable features within its projects, be it townships or stand-alone developments and will attempt to do the same for individual units. These features will likely be offered to buyers as an added option on a paid basis.



OUR BUSINESS MODEL

Improving Design of Projects and Homes - Capitals and Strategies

Introducing more sustainable designs and features may necessitate added materials and construction costs. However, it is essential that the pivot towards such development concepts be undertaken towards ensuring LBS remains abreast with changing market preferences and trends.

It is likely that environmentally friendly features for properties will be incorporated into the affluent and where possible, the attainable property segments.

In introducing more sustainable design and features, the Group may need to look at its human capital – recruiting the necessary talent or working with external partners to develop novel but practical approaches that are cost effective, which can be swiftly implemented.

vii. ASSET MANAGEMENT AND GENERATING INCREASED RECURRING INCOME

In line with generating increased recurring income, LBS will look to expand its asset management portfolio by either acquiring existing retail or industrial assets such as malls, hotels or by building its own assets and then managing accordingly.

The SCAPES Hotel and M3 Mall have enabled LBS to gain the required experience and expertise in the management and operations of retail assets.

Going forward, leveraging on the capabilities developed through the management of existing assets, LBS aims to further develop its Build-Own-Operate model to complement its conventional Build and Sell property business model.

The goal is to generate recurring income and to explore new business opportunities by increasing the exposure to the retail sector. While this component presently remains a comparatively smaller segment of business operations, the strategy is regarded as being a key focus area for the Group, going forward.

Asset Management and Generating Increased Recurring Income - Capitals and Strategies

The Group's approach in developing its asset management portfolio shall be two-pronged: building retail assets at its developments and then retaining control of operations, or through outright acquisition of existing retail/commercial operations.

Key to the success of the approach is ensuring an effective tenant mix that provides in demand products and services for local communities. LBS, as a community developer, would establish a clear criterion in the selection of the tenant mix. Tenants must generate a positive multiplier effect and local businesses would be given priority for rental.

viii. DIGITALISATION AND AUTOMATION

Other than IBS capabilities, LBS continues to invest in developing its technological capabilities. The focus on adapting the business model to be more technologically enabled is driven by the focus on operational and cost efficiencies across the value chain.

Against a backdrop of rising raw materials costs, labour shortages, increased priority on ESG performance, technology is regarded as a means to address these concerns while enabling property developers to improve design and build quality and also improve earnings margins.

LBS' transition to digitalised its business processes also improved sales, customer satisfaction, and cost-effectiveness through optimised marketing spend, process automation, and efficient internal processes.

Digitalisation and Automation - Capitals and Strategies

In FY2022, LBS embarked on a new approach in dealing with defects management by implementing digitalised inspection forms. LBS also migrated to a new and improved defect application software with greater functionality. This enables more stringent supervision and faster resolution of defects within the stipulated timeframe.

OUR BUSINESS MODEL

IBS will continue to be a mainstay in the Group's approach to increasing further standardisation of design and build of homes. IBS will be supported increasingly with other technologies such as Building Information Modelling ("BIM") that will enable real time collaboration between project and information owners, assess and estimate required materials for construction and ultimately, promote improved quality, speed and efficiency while reducing wastage.

ix. STAKEHOLDER MANAGEMENT

The increased focus on ESG corresponds with a need to drive increased and more meaningful stakeholder engagement. Stakeholder engagement and management has been a key aspect of the Group's business strategies, reflected in the extent of engagement with regulatory authorities, industry associations and peers, customers, media and investors.

While the level and quality of engagement with these key stakeholders will be upped, the Group is also exploring increasing engagement with societal stakeholders such as local communities and NGOs.

The goal is towards developing greater clarity on stakeholders' expectation of value creation and how do they perceive the role of property developers in contributing to socio-economic development. Greater engagement with societal stakeholders enables a more targeted and effective approach to non-financial value creation.

Stakeholder Management - Capitals and Strategies

LBS will continue to allocate financial and human resources to spearhead various community engagement efforts. Beyond typical corporate social responsibility ("CSR") programmes, engagement will also be in the form of meeting societal leaders, village heads and more towards truly gaining an on-ground perspective of local community aspirations.

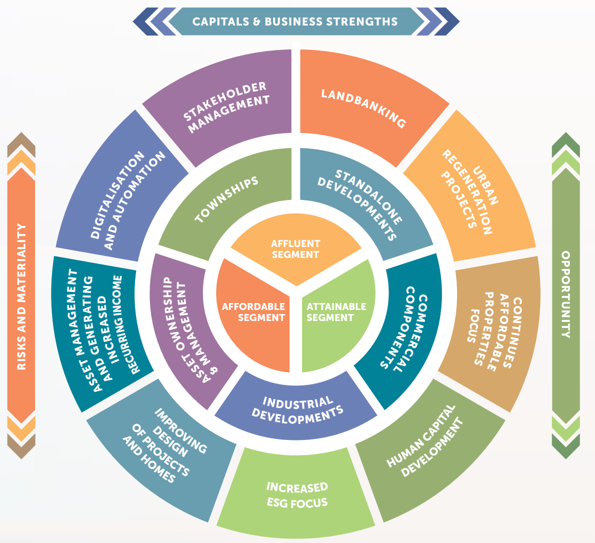
LBS is presently refining its stakeholder engagement plans which will come under the purview of the Group's PMO unit. KPIs and targets for community engagement will be developed in due course.

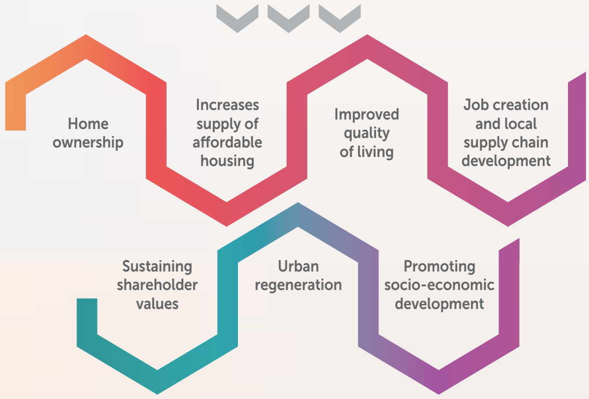
Working together with URBANICE Malaysia to promote urban sustainability within communities

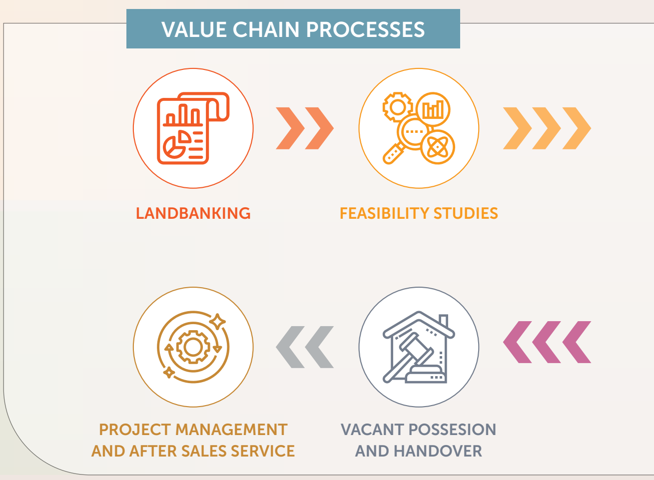
VALUE CREATION MODEL

VALUE CREATION MODEL

CAPITALS	INPUTS
FINANCIAL Paid-up and authorised capital, share equity, assets, retained profits as well as cash and cash equivalents.	◇ Share Capital: **RM923 million** ◇ Retained Profits: **RM673 million** ◇ Cash and cash equivalents: **RM179 million** ◇ Total assets: **RM4.17 billion** ◇ Total liabilities: **RM2.41 billion** ◇ Total borrowings: **RM917 million**
MANUFACTURED Physical assets owned or leased deployed to execute the business model across the value chain towards the creation of financial and non-financial outputs and outcomes.	◇ SCAPES Hotel ◇ M3 Mall ◇ IBS factories and related machinery ◇ Onsite construction machinery ◇ Zhuhai racing circuit (China)
INTELLECTUAL All business and operational strategies, collective knowledge, skills, competencies and experience of the Board and Executive Directors as well as subsidiaries and associate companies and the supply chain.	◇ IBS construction capabilities ◇ Innate market understanding and property knowledge ◇ Established, trusted brand ◇ Quick turnaround approach ◇ Township developer and market phaseability capabilities
HUMAN The collective skills, talents, experience and capabilities of the workforce (excluding the Board and Executive Directors) comprising Management, executive and non-executive staff -- responsible for day-to-day operations.	◇ Total employees: **1,001 employees** ◇ Average learning hours per employee: **11.2 hours** ◇ Various employee engagement activities ◇ Continued development of a high-performance organisational culture
SOCIAL Comprising the diverse network of relationships and engagements with various stakeholders. The understanding of stakeholders needs, concerns and aspirations and the implementation of appropriate engagement strategies.	◇ **18** briefings ◇ **8** media events ◇ Various marketing and branding campaigns ◇ Participation in **6 awards ceremonies**
NATURAL The pursuit of resource efficiency in the consumption of natural resources and materials required for the business model.	◇ Electricity consumption: **9,769 MWh** ◇ Water consumption: **116,954 m³** ◇ Responsible waste management ◇ ESG KPIs and Target workshop







VALUE CREATION MODEL

BUSINESS STRENGTHS AND COMPETITIVE ADVANTAGES DERIVED FROM THE BUSINESS MODEL

- FLEXIBILITY
- MARKET PHASEABILITY
- FASTER SPEED TO MARKET
- QUICK TURNAROUND
- CLOSE PROJECT CONTROL
- REDUCED WASTAGE
- IMPROVED ENVIRONMENTAL AND SOCIAL FOOTPRINT
- HIGHER AND IMPROVED CONSISTENCY IN BUILD QUALITY
- ABILITY TO DELIVER LARGE-SCALE AFFORDABLE HOME PROJECTS ON TIME AND WITHIN BUDGET

MASTERPLANNING/ PROJECT DESIGN → REGULATORY/ AUTHORITY APPROVALS → MARKETING/ BRANDING LAUNCH → CONSTRUCTION AND DEVELOPMENT

OUTPUTS	OUTCOMES
◇ Revenue: **RM1.72 billion** ◇ Profit after non-controlling interests: **RM129 million** ◇ Cash and cash equivalents: **RM262 million**	◇ Unbilled sales: **RM2.46 billion** ◇ **RM35.1 million** dividend payout, **RM98.9 million** paid in taxes, **RM101.2 million** paid in wages, **RM1.58 million** paid in community investments, ◇ **RM59.5 million** paid in finance costs ◇ Market capitalisation: **RM652 million** as at end FY2022
◇ **10** property launches with a total volume of **4,909 units** total GDV of **RM1.63 billion** ◇ **2,957** properties built ◇ Average QLASSIC levels of: **70%** ◇ **1.66 million** mall footfall ◇ **52.6%** hotel occupancy rate	◇ GDV for FY2022 completed units at **RM1.27 billion** ◇ **2,957** homes delivered to buyers ◇ **82%** average customer satisfaction rate ◇ Enabling more middle-income Malaysians to own a home. ◇ Improved finished and built quality.
◇ Continued business growth as reflected in property sales, revenues and earnings performance. ◇ Strengthening of the risk management and mitigation framework ◇ Improvements in ESG performance of the supply chain ◇ Zero fatalities or major injuries	Continued growth and progress in the creation of financial and non-financial values for LBS and/or its stakeholders
◇ **15.1%** growth in total employees ◇ Employee satisfaction score: **77%** ◇ Multi-cultural workforce composition	◇ Voted as one of Malaysia's Most Preferred Graduate Employers to Work in 2023 by the Graduates' Choice Award ("CGA") ◇ Recognised as one of Malaysia's Best Managed Companies 2022
◇ Improved stakeholder relationships ◇ **RM58.5 million** media publicity value ◇ **12 awards** secured ◇ **100%** supplier compliance to ABC Policy ◇ **Zero** fines for social/ labour non-compliance. ◇ **30%** share price appreciation	Strengthened positive brand perception among multiple stakeholder groups which contribute to robust sales, positive media publicity and investor interest. Ultimately, affirming LBS Bina as an industry leader. Inclusion of recommendations in Budget 2023
◇ Launch of Inaugural LBS ESG KPIs and Targets	Improved environmental oversight and implementation of practices with progressive integration of ESG into the Group's business strategies and its operations

04

LEADERSHIP MESSAGES AND PERFORMANCE REVIEW

EXECUTIVE CHAIRMAN'S PERSPECTIVES

LBS' EXECUTIVE CHAIRMAN, TAN SRI LIM HOCK SAN SHARES HIS PERSPECTIVE ON THE GROUP'S COMMENDABLE BUSINESS PERFORMANCE OVER FY2022 DESPITE THE EVER-CHALLENGING AND FAST-EVOLVING ENVIRONMENT, AS WELL AS HIS KEEN INSIGHTS FOR THE FINANCIAL YEAR AHEAD.

TAN SRI DATO' SRI LIM HOCK SAN
Executive Chairman

EXECUTIVE CHAIRMAN'S PERSPECTIVES

TAN SRI, CAN YOU OUTLINE THE PERFORMANCE OF THE LBS GROUP AND THE CHALLENGES EXPERIENCED IN THE FINANCIAL YEAR 2022 ("FY2022")?

Firstly, I wish to say it is both a privilege and an honour to hold this esteemed position in steering the Group progressively forward. I am also proud to announce the remarkable performance of the Group, in achieving RM2.0 billion in property sales, surpassing our FY2022 property sales target of RM1.6 billion by 25%. The Group registered RM216.9 million in profit before tax ("PBT") in the financial year under review.

This performance is also the crowning glory for LBS because it represents the Group's best achievement over the past decade of operations.

It is all the more commendable, given the extremely challenging and arduous environment, both globally and locally. At the global front were the prevailing safety concerns of COVID-19, China's stringent lockdown, the Russia-Ukraine conflict and increased material pricing, which merged to provide a global backdrop of economic uncertainty.

In Malaysia, this has led to rising consumer prices and a labour shortage issue of foreign workers, as well as geopolitical instability.

It is acknowledged that a crisis doesn't make a person; it reveals what a person is made of. This was exemplified in the actions of LBS, where, in the face of such challenging operating environment hurdles, LBS displayed business agility and resilience to weather the economic conditions. Adapting to such conditions meant firstly, a process of assessing current strategies, market trends and customer sentiments. Subsequently, making the necessary changes to our strategies and realigning our resource focus proved instrumental in ensuring a forward and upward trajectory for the Group.

Our commendable balance sheet, healthy cash flow, reassuring land bank and unbilled sales stands as a testimony to the capability and capacity of LBS to face the challenges ahead and strive for a sustainable value creation.

ACHIEVING
RM2.0
BILLION
IN PROPERTY SALES
–
SURPASSED TARGET BY
25%

WHAT DO YOU BELIEVE IS THE FOUNDATION TO WHICH ENABLED LBS TO BUILD UPON AND ACHIEVE THIS STRONG PERFORMANCE?

In two words, it is undeniably, 'our people'. We have invested much into driving a high-performance and high-calibre workforce.

Our Program Management Office ("PMO") remains focused on organisational renewal and transformation, tasked to trigger fresh, innovative ideas to spur positive change across the organisation. Various development training programmes and initiatives have been organised to guide their progressive development and motivate them to strive to reach their potential.

One such initiative rolled out is the Star Talent Programme. Here, high potential employees were carefully identified and selected to undergo an extensive 10-day journey of self-discovery and soft skills training. Given its success, we are looking to expand the programme by including junior level employees, to enable talent recognition and leadership-shaping at an earlier stage of their career.

Our employees' willingness to push the boundaries is clearly evident in the numerous milestones LBS has achieved as a company. This, and various other training initiatives have combined to form a high-performing workforce, well-positioned to drive improved performance over the subsequent phase of LBS' growth.

With their skills, resilience and positive mindset, LBS has firmly established itself as an affordable developer, delivering affordable homes in suitable locations with an infrastructure-rich environment, all in keeping with its customer-centric approach.

EXECUTIVE CHAIRMAN'S PERSPECTIVES

CAN YOU SHARE THE GROUP'S EFFORTS TO REMAIN RELEVANT AND COMPETITIVE IN A DEMANDING AND FAST-EVOLVING ENVIRONMENT?

To support our capable workforce to deliver such expectations, we have focused our efforts on technology and innovative processes to heighten efficiency of operations as well as lowering environmental impact. Our use of IBS fulfils both objectives. It has served to accelerate construction progress, an immense benefit given the ongoing shortage of labour. I am mindful that it was only three years ago that LBS' first project was built using IBS components and we now incorporate this into our ways of working at LBS.

Our strategic investment into technology with automation has resulted in improved backend support with tasks such as reporting, SOPs, targeting, etc. This has resulted in cost savings and enabled staff to free up their time to focus on the front-end part of the operations.

As part of our commitment to continuous improvement, we have reviewed the traditional mindset and embraced technology in moving forward efficiently and effectively. Our operational process has been digitalised wherever possible, one prime example being the setting up of our digital sales gallery. This proved timely in light of the movement restrictions and concerns on health and safety for both customers and staff. This virtual showroom affords customers a clear 360° online view of models wherever they are and is a convenient and safer mode of customer engagement. Additionally, we utilised drones equipped with cameras to minimise time-consuming site visits and inspections.

Product quality and customer experience continue to be of high importance in our value creation chain. We have leveraged on a few digital technologies and tools to automate, streamline and optimise our quality control processes. This includes the digitalisation of our site inspection process, where we are now able to obtain real-time data on inspection results, allowing us to quickly identify and rectify the issues with our contractors. This has helped to improve overall efficiency, and we will strive to improve customer satisfaction by ensuring our products meet high-quality standards.

Furthermore, we have also automated our supply chain management by implementing an e-quotation system to increase the efficiency and transparency in procurement.

We will continue to invest in the right technologies to further improve product quality, reduce waste, increase efficiency, and ultimately drive the business to even greater success.

Our teams have spent time collating demographics of customers and analysing such data to enable better understanding of demographics, preferences and other pertinent information. We are cognisant of a younger generation seeking their first home and hence, we simply cannot rely on early business models to cater for these new changes.

Our Marketing Team uses such data to evolve our products and services to manage customer expectations. Particular to this generation, social media figures prominently in their DNA. Hence, the Team monitors the various channels and measures leads to follow through for sales closure.

LBS HAD EMBARKED ON ITS ESG JOURNEY TWO YEARS AGO. CAN YOU KINDLY PROVIDE SOME INSIGHTS INTO THE PROGRESS MADE THUS FAR?

LBS is firmly committed to achieve financial values, while charting a clear path towards managing environmental and social performance. Much has been implemented to further embed this ESG mindset across the many facets of our organisation, including undertaking an annual comprehensive materiality assessment exercise and a review of our KPIs and targets to ensure strong strategic business focus.

In continuing our commitment towards a comprehensive and integrated disclosure of our business operations, LBS has made further progress in the continued adoption of Integrated Reporting and standalone Sustainability Report. In its second year, we have strengthened disclosure of our business model as well as future orientation, aligning with international best practices. This underscores a transition from pure financial focussed narratives to a more strategic perspective of the Group, especially for providers of capital.

EXECUTIVE CHAIRMAN'S PERSPECTIVES

We are expanding on our efforts to incorporate climate change as a business risk and adapt accordingly towards effectively addressing its risks and to reduce our environmental footprint. Disclosure on the Group's greenhouse gas (GHG) emissions is a testimony to our commitment to identify, quantify and benchmark emissions. This will enable better understanding of historical greenhouse gas (GHG) emissions trends as well as potential future emissions, vis-a-vis our future business trajectory.

I am pleased to share that our steadfast progress has been accorded due recognition with the company's listing on the FTSE4Good Bursa Malaysia (F4GBM) Index, an index which measures the performance of public listed companies demonstrating strong ESG practices. Not one to rest on our laurels with this recognition, we will continue to strive for greater positive impacts and long-term sustainability in the community where we operate.

Overall, I am proud to say we have registered encouraging progress in our ESG journey, full details of which are covered in the respective sections of this report. We have been successful in the creation of economic value for stakeholders, supporting social equity, community upliftment and empowerment, and in reducing environmental impacts. The finer details of these activities can be found in the relevant sections within this Annual Report.

We view sustainability as the roadmap for businesses to navigate a clear path through the many challenges faced, while also allowing us to become part of the solution for a better world. We will continue to further strengthen our governance, practice and beliefs to ensure sustainability of our operations in the years ahead.

THE GROUP HAS ACHIEVED MUCH OVER THE FINANCIAL YEAR. CAN YOU SHARE SOME OF THE PROJECT HIGHLIGHTS?

We are proud of our efforts to close off FY2022 on a strong note. This is indicative that our developments are situated in strategic locations and at an affordable price range which matches the needs of the public.

As at 31 December 2022, we had launched a total of 4,909 units worth RM1.63 billion. In the same financial year, LBS' future landbank stood at approximately 2,972 acres, projected to keep the Group fully focussed for 10 to 15 years to come.

In addition, the Group has unbilled sales of about RM2.46 billion, expected to provide clear earnings visibility over the next two to three years.

The Group employs an array of initiatives to reinforce its strong value proposition and drive awareness and interest amongst potential customers. This includes the use of creative marketing campaigns such as the LBS Fabulous Extra 2022-23 campaign.

LBS Fabulous Extra 2022-23 campaign

This campaign follows the resounding success of 2021's campaign which saw 1,200 lucky homebuyers walking away with attractive prizes. This 2022-23 year-long campaign is set to be extensively amplified with a 360-degree campaign across multiple LBS social media platforms, with a carnival-styled on-ground event to coincide with the nation's Merdeka and Malaysia Day celebrations.

As the People's Developer, we are deeply committed towards ensuring our properties continue to remain attainable to prospective homebuyers.

EXECUTIVE CHAIRMAN'S PERSPECTIVES

TAN SRI, THE PURSUIT OF EXCELLENCE HAS BEEN ACCEPTED AS A WAY OF LIFE AT LBS. HOW HAS THIS MEASURED UP IN THE FINANCIAL YEAR?

The pursuit of excellence is a philosophy handed down by LBS' Founder, the late Dato' Seri Lim Bock Seng. This is exemplified in how the business has conducted itself throughout its 61 years in existence, proudly delivering quality products and services to benefit individuals and local communities.

Recognition continues to be accorded to our business achievements, reflected in LBS securing a myriad of awards at The Star Property Awards 2022, as below:

- All-Stars Award (Excellence)
- The Digital Strategist Award (Excellence)
- The Business Estate Award (Commercial) for Cameron Centrum (Honours)
- The Highlander Award for Vines 3, Cameron Golden Hills (Merit)
- The Starter Home Award (Landed) for KITA Mesra Single Storey House (Merit)
- The Family Friendly Award (High Rise) for Prestige Residence (Merit)
- The Family Friendly Award (Landed, within Greater KL) for KITA Mekar Double Storey House (Merit)

Given its strong credentials as an employer and developer, LBS has also been accorded awards as below:

- Graduate's Choice of Employers Award 2022
- Malaysia Developers Awards 2022 Top of the Charts (under RM1 billion category) – Top 10

Malaysia Developers Awards 2022

Deloitte's Best Managed Companies Award - Best Managed Companies 2022 (Malaysia)

We are also honoured to have been named as the recipient of the "Best Managed Companies 2022 (Malaysia)" by a leading global consulting firm, Deloitte. This prestigious award recognises top privately-owned local companies for their organisational excellence and contributions to the economy.

LBS etched another notch in the Malaysia Book of Records with the most number of indoor showhouse units under one roof. This was organised at LBS' Sales Gallery at KITA @ Cybersouth and LBS Alam Perdana, where a total of 13 showhouses were displayed for public convenience of viewing and comparing.

LBS chartered another milestone, this time in the field of academia. UNITAR International University bestowed upon me the title of Adjunct Professor of Leadership, in recognition of exemplary leadership in transforming LBS into a leading property development industry and for the various contributions to society.

EXECUTIVE CHAIRMAN'S PERSPECTIVES

I am truly humbled by this appointment to which I proudly attribute to my late father, the Founder of LBS. He couldn't emphasise enough the importance of a good, sound education and his strength of conviction led me to ultimately take up the mantle of leadership at LBS. I view this award as a means to share my learnings with budding young minds, to motivate and inspire them to dream of building a better life and achieve their fullest potential. His legacy lives on at LBS.

IN YOUR OPINION, WHAT IS THE OUTLOOK AND PROSPECTS FOR LBS MOVING FORWARD?

Coming from a very challenging 2022, the future looks positive and hopeful as the global economies are expected to post strong recoveries going forward.

We are already seeing China opening up, with optimism about Beijing's abrupt end to COVID-19 restrictive measures as well as its series of policy developments signalling the return of economic pragmatism.

On the local front, looking ahead to 2023, we expect economic and market volatility to remain. The common property developer challenges that the nation may witness are labour shortage, interest rate hikes and increase in raw material costs.

The new Malaysian government has provided a fresh impetus to the economy with administration stability, seen in increased investor confidence and funds as well as improved consumer sentiments.

This augurs well for LBS in its efforts to continue collaborating with the government in support of its affordable housing commitment to alleviate the housing shortage. In this aspect, LBS commits to launch over 3,400 affordable homes worth over RM960 million in FY2023, as part of the Selangor state's Rumah Idaman MBI initiative.

We have managed the increased construction costs brought about by rising costs of material and labour in FY2022. Using innovation and technology as our cornerstone, we have improved our internal efficiency to ensure competitive pricing of our products to meet prospective buyers' expectations.

With our mindset affixed on continuous improvement, we aim to explore ways to further strengthen customer experience. In this aspect, our Engineering Department and backend support have been tasked with the responsibility of identifying and heightening product quality.

LBS COMMITS TO LAUNCH OVER
3,400
AFFORDABLE HOMES
WORTH OVER
RM960 MILLION
IN FY2023

LBS plans to launch 9 new projects in FY2023 covering the Klang Valley, Johor, Pahang and Perak states, giving a total GDV of RM2.09 billion and 4,021 cumulative units.

Our strong strategies and adaptive policies include diversification towards developing more recurring income streams for the Group. While property development remains at the heart of our business model, it will nonetheless be complemented by the ownership of recurring income assets such as shopping malls, hotels and other value accretive assets. Particularly at our hotel and malls, we look to strengthen the capacity and expertise of our core team.

We are cognisant of the importance of human capital in order to take the Group forward. On this note, we will invest further in our talent and digitalisation initiatives as we look to elevate LBS to greater heights. In addition, we aim to continuously reward our shareholders in accordance with our dividend policy which is to pay out 30% of the profit after tax and non-controlling minority interest.

The Group intends to pursue a forward-looking strategy to capitalise on the strengthening economy. In keeping with prudent financial management and efficiency of

EXECUTIVE CHAIRMAN'S PERSPECTIVES

operations, we will focus on renewed growth in the market.

With more than 3 decades worth of property development masteries, LBS stands ever ready to respond to any change that comes our way. To prepare ourselves, we have carried out strategic planning and discussions with relevant stakeholders to ensure we navigate 2023 cautiously and on a steady footing as we look to maintain our performance.

ARE THERE ANY PARTICULAR PEOPLE OR GROUPS YOU WISH TO RECOGNISE FOR THEIR CONTRIBUTORY EFFORTS?

On behalf of the Board of Directors, I wish to convey our gratitude to our respected stakeholders – our resilient staff, loyal shareholders and customers, reliable suppliers and business partners, and the steadfast support from the relevant government authorities. It is only with your contribution and support that we have persevered past the challenging times to where we are now.

In this journey, I am well supported by our capable Management and esteemed Board of Directors. They have held fast to the guiding principles and outstanding legacy set out by our Founder. With their combined business acumen, we have navigated strategically around the hurdles in our path, gained momentum and closed off the financial year well.

ANY FURTHER ADDITIONS/RESIGNATIONS TO BOARD COMPOSITION?

On behalf of the Board, I wish to thank both Datuk Dr. Haji Baharum bin Haji Mohamed and Datuk Lim Si Cheng, who retired from the Company on 18 April 2023, for their exemplary tenure on the Board, contributing with their keen insights to finetune our business strategy. We wish both of them the best in their future endeavours.

We are pleased to welcome Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail, who joined us on 18 April 2023. Both are veterans with vast corporate experience, aptitude and qualification and we look forward to their positive contribution on the Board.

ANY FINAL THOUGHTS FOR THE UPCOMING YEAR & BEYOND?

We have braved through an eventful year and the future promises to be challenging, but exciting. Against this backdrop of LBS' collective strength, expertise and experience, I am indeed confident the Group will continue our upward performance trajectory to chart further milestones in the upcoming financial year and beyond.

Thank you.

AWARDS

GRADUATES' CHOICE OF EMPLOYER (GCA)

2023 Malaysia's Most Preferred Graduate Employers to Work In

KSI SPECIAL BUSINESS AWARDS

The National Outstanding Entrepreneurs Lifetime Achievement Awards
– Tan Sri Lim Hock San

BCI AWARDS

Asia Top 10 Developer Awards 2022

DELOITTE'S BEST MANAGED COMPANIES

Best Managed Companies 2022 (Malaysia) Award

MALAYSIA DEVELOPER AWARDS 2022

Top 10 under RM1 billion category

STARPROPERTY AWARDS 2022

Digital Strategist Award:
Excellent

The Business Estate Award (Commercial Development)
– Cameron Centrum (Honours)

The Highlander Award
– Vines 3, Cameron Golden Hills (Merit)

The Starter Home Award (Landed)
– Kita Mesra Single Storey (Merit)

The Family Friendly Award (High Rise)
– Prestige Residence (Merit)

The Family Friendly Award (landed)
– Kita Mekar Double Storey (Merit)

All-Stars Award
– Performing Developer Award

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

LBS BINA GROUP BERHAD (HENCEFORTH REFERRED TO AS "LBS" OR THE "GROUP") HAS MANAGED TO RECORD ANOTHER YEAR OF COMMENDABLE PERFORMANCE DESPITE A NEW SET OF CHALLENGES PRESENTED IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 ("FY2022"). In the spirit of continuous growth, LBS has once again surpassed our sales target, this time by a commendable 25%. From a sales value of RM1.58 billion in FY2021 to RM2 billion in FY2022, this reflects our best performance so far. With our team of dedicated and capable people, and our ability to quickly pivot and react to changing times, we are confident that LBS will continue on this development track.

Throughout this Management Discussion and Analysis ("MD&A"), we will be providing a concise summary of all business and operational performances of the Group for FY2022. At the same time, this document intends to outline an overview of LBS' value-generating activities and strategic approaches moving forward, with more in-depth analyses provided whenever necessary. All this is a part of the Group's commitment to providing a comprehensive yet succinct narrative in line with Integrated Reporting best practices.

FY2022 IN REVIEW

LOOKING BACK AT FY2022

While Malaysia officially began the transition to the endemic phase of Covid-19 in April 2022, the lingering impacts of it were still a significant economic disruptor well into the financial year.

Despite the reopening of global markets, where property development is concerned, global volatility continued to influence key factors, such as the availability of materials and labour, higher operational costs and the general decay in consumer purchasing power. Inflation has had a large part to play in this, as the country has been struggling to fully recover from the impacts of the prolonged economic closures during the pandemic. The Malaysian government reported that inflation rates were as high as 3.3% in FY2022, significantly higher than the 2.5% recorded in FY2021. As a result, drastic cooling measures were implemented, such as Bank Negara Malaysia ("BNM") raising the overnight policy rate ("OPR") to as high as 2.75% currently. All this, alongside a general rise in living costs, led to buyers being more conservative in their purchases, especially concerning big-ticket items like property.

Further abroad, geopolitical issues and sustained economic closures in several key regions continued exacerbating existing logistical and material supply issues. As a result, the Group and the property development sector were impacted by logistical setbacks and price hikes that led to higher construction costs and delays in project timelines. Ultimately, this translated to higher selling prices that put the viability of new projects at risk.

This combination of factors particularly dampened the local housing market. With consumer priorities shifting to more immediate concerns, the property market slowly declined throughout the pandemic. While there was undoubtedly a marginal improvement in FY2022, the volume of overhung properties was still higher compared to the pre-pandemic period, with a total of 29,534 unsold residential units.

More in-depth analysis of the macroeconomic factors that affected the Malaysian property market in FY2022 and LBS' corresponding strategies can be found on page 64 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

AN OPTIMISTIC OUTLOOK

Despite the setbacks and challenges of FY2022, there were a number of positive developments within the country.

For one, the new government brought assurance of political stability within the country. LBS is confident that the new administration is more than capable of steering our national economy towards recovery. We have already begun seeing improved investor confidence, with the Ringgit stabilising almost immediately after the swearing-in of the latest Prime Minister.

Similarly, the current government has been hard at work resolving the ongoing labour shortage crisis. By streamlining the recruitment process and temporarily removing quotas and employment prerequisites, the government has begun to speed up foreign labour intake. LBS is hopeful that this will be resolved soon to the benefit of the Group and the entire industry.

On a similar note, LBS is also confident that the government's efforts will fortify the purchasing power of consumers through prudent policies to improve the cost of living. Already we have begun seeing improvements in the national inflation rates. Even though the rate recorded during the end of FY2022 was significantly higher than in FY2021 (3.3% in FY2022 against 2.5% in FY2021), it has begun improving. Interest rates in the prior months, especially before the election, were consistently above 4.0%.

Even against the threat of a global recession, the resilience of the Malaysian economy stands out. The national economy's diversified structure, with its pragmatic and responsive policies, has put us on an upward trajectory. This growth is further complemented by the strength and stability of Malaysia's financial systems. Under the astute oversight of BNM, Malaysia's local banks are well-capitalised and liquid, allowing for greater adaptability in times of financial crisis. Overall, this contributed to the national GDP of FY2022, exceeding all expectations and reaching an astounding 8.7%, far beyond the 6.5% estimate made earlier in the year.

Regarding property market, while conditions have not improved to pre-pandemic levels yet, the number of unsold residential units in Malaysia had dropped by 15.4% by the end of FY2022 (from 38,863 units in FY2021).

Based on the promising recovery of overhang residential units, LBS is maintaining a cautiously optimistic outlook as the recovery bodes well with the Group's prospects, particularly since most overhang units are priced between RM500,000 and RM1 million. As an affordable housing developer, LBS is confident that the Group's business strategies will allow us to remain competitively viable, especially as the purchasing power of consumers continues to improve.

LBS is certain that Malaysia, currently one of the region's leading economies, has a bright economic prospect. Along with the Group's prudent strategies moving forward, LBS is assured that there is a strong impetus for growth as the labour market improves and inflation stabilises.

OUR OPERATIONS IN FY2022

SURGING AHEAD

LBS approached the challenges and opportunities of FY2022 with the same tenacity and tactical thinking we have always employed in the past. Hinging on the Group's central focus of providing affordable homes at premium locations, LBS has created a robust business model that helps us retain our competitive edge in the industry. Our diverse mix of market segments throughout the various phases of the property market also allows us to remain relevant no matter what challenges the macroeconomic environment presents.

One area where LBS has consistently pushed for innovation is in the application of digitalisation throughout our business operations. Ever since the pandemic, digitalisation had helped keep us connected with our loyal customer base, especially when face-to-face contact was discouraged. Although such restrictions were lifted in FY2022, LBS has realised this should be the norm moving forward. Digitalisation and technological innovations, especially as a marketing and back-end support tool, can help the Group improve efficiency and reduce costs.

Technological investments have allowed LBS to reframe our marketing strategies in particular. Gone are the days when sales galleries and newsletters were the only contact point for potential customers. Today, we have begun to shift our focus towards more digital marketing platforms, including social media, as a way to engage consumers actively. This is also to keep in line with our changing customer demographics, who are younger and more tech-focused. Through the use of virtual

MANAGEMENT DISCUSSION AND ANALYSIS

reality ("VR") and online booking systems, the Group can now provide an even more immersive experience to our customers regardless of where they are.

Leveraging online interaction with our customers through forms and surveys has allowed LBS to fully unlock our data potential. By analysing trends and understanding consumer profiles and demand, we are able to better cater our product ranges to stay relevant to the current market needs and trends. Such data analysis ultimately allows us to be more aware of our key target audiences and provide more fruitful insight into their needs.

These types of benefits are not restricted to the customer-facing sectors. Technological innovations continue to benefit LBS in all sectors of the Group's business operations. With the use of drones, site visits and monitoring of construction progress can be done more comprehensively. While it cannot replace the experience of LBS' on-ground staff, these types of investments supplement and streamline existing work processes, allowing for higher efficiency and more targeted responses.

Drones improved project efficiency and are cost-effective to monitor construction progress

Overall, LBS is cognisant of the role digitalisation plays in maintaining our position as industry leaders. As an organisation with continuous growth, maintaining our upwards trajectory would be near impossible without some form of automation to help support it.

Automation and technological investments are also beneficial when it comes to construction through the utilisation of IBS. LBS strives to achieve a higher balance of IBS throughout all our projects, yet this must be done carefully so as not to incur a higher cost that gets passed down to the customers. Part of the technological investments done in FY2022 was for this exact reason - automating parts of the IBS process. Ultimately, this helps us reduce our labour dependency while streamlining the entire process at a reduced cost.

Apart from digitalisation, another strong point behind LBS' constant progress is our committed and talented workforce. With over 1,000 employees in the Group in FY2022, LBS is proud of all the talented individuals who have helped us grow into a leading player in the affordable property market. Likewise, LBS is equally committed to the growth and development of our people. To this end, LBS has increased our investment in our workforce by identifying and grooming talented individuals for further career development within the Group.

In FY2022, LBS strengthened our succession plan with the Star Talent Programme, where 31 potential employees were identified and underwent a six-day intensive training programme. In FY2023, the programme will be extended to 15 days. The end goal of this programme was to groom promising candidates and provide them with the necessary skill set to bring LBS to the next level. Moving forward, programmes like this can also be utilised for the junior level.

In FY2022, LBS took a significant step towards securing its future by implementing the Star Talent Programme

MANAGEMENT DISCUSSION AND ANALYSIS

Understanding the importance of a diverse business model, LBS has also begun looking into opportunities to spread our business interests to other sectors, mainly retail and hospitality. LBS' retail components began generating profits in FY2022, indicating the long-term viability of these components. Meanwhile, our foray into the hospitality sector will be continued with the development of Cameron Centrum in Cameron Highlands. LBS' progress in these sectors will be further boosted by the creation of dedicated core teams in charge of matters such as leasing, hospitality, and so forth.

Additional information on LBS' areas of focus and identified risks and opportunities can be found on pages 71 of this report.

VALUE CREATION AND RECOGNITION

FY2022 has been a remarkable year for LBS, despite its challenges. As mentioned earlier, LBS managed to surpass our sales target by 25%, reaching an all-time high of RM2 billion in sales.

The Group also launched a total of ten projects in FY2022, with a combined Gross Development Value ("GDV") of RM1.63 billion. At LBS, we are always proud of our community-centric focus when it comes to property development. As such, in FY2022, we collaborated with the Selangor state government for the development of six affordable housing projects under the Idaman series. Currently, two of these, Idaman BSP and Melur have been launched, with the former already completely sold.

STATE	PROJECT	TOTAL UNITS	GDV (RM)
Klang Valley	KITA @ Cybersouth	1,311	504 Mil
	Idaman Melur	1,448	414 Mil
	LBS Alam Perdana	642	249 Mil
	Idaman BSP	1,312	375 Mil
Johor	Bandar Putera Indah	108	44 Mil
Pahang	Centrum Orkedia	24	23 Mil
Perak	Taman Kinding Flora	64	17 Mil
	Total	**4,909**	**1.63 Bil**

FY2022 also saw the successful handing over of vacant possessions of 2,957 units with a total worth of RM1.27 billion.

STATE	PROJECT	TOTAL UNITS	GDV (RM)
Klang Valley	KITA Harmoni	674	393 Mil
	KITA Impian	971	316 Mil
	LBS SkyLake Residence	746	373 Mil
Johor	Emerald Garden 3	219	78 Mil
Pahang	Vines 3	41	36 Mil
Perak	Taman Kinding Flora	306	75 Mil
	Total	**2,957**	**1.27 Bil**

"LBS managed to surpass OUR SALES TARGET BY 25%, reaching an all-time high of RM2 BILLION in sales

Apart from these, in FY2022, LBS also had 18 more ongoing projects that worth RM5.7 billion.

The Group is also ensuring the security of its growth through landbank acquisition. Currently, LBS has a landbank of 2,972 acres awaiting development. Ownership of these parcels of land across Malaysia gives LBS the capacity for continuous growth well into the next 10 to 15 years. This will enable us to remain relevant industry players for the foreseeable future.

LBS' future in FY2023 and beyond is further supported by unbilled sales received in FY2022. At RM2.46 billion, this amount is even higher than pre-pandemic levels, indicating an unbroken growth momentum despite a challenging macroeconomic environment. This sets a positive expectation of the Group's financial prospects moving in the short to medium term.

Aside from financial and operational achievements, LBS' commitment to ensuring affordable housing in line with responsible Environmental, Social, and Governance ("ESG") practices has been duly recognised. Over the past years, LBS has celebrated multiple achievements in the sector, and FY2022 was no different. We are proud to have received the prestigious "Best Managed Companies 2022 (Malaysia)" award from Deloitte. To be selected out of a field of exceptional industry players is a strong testament to LBS' efforts in being the People's Developer.

MANAGEMENT DISCUSSION AND ANALYSIS

"AS A PEOPLE'S DEVELOPER, OUR FOCUS HAS ALWAYS BEEN ABOUT THE PEOPLE... THIS RECOGNITION IS A TIMELY INSPIRATION FOR US TO CONTINUE TO BE THE BEST, AND TO KEEP PROGRESSING."

DATUK WIRA JOEY LIM
Group Managing Director & CEO

Best Managed Companies 2022 (Malaysia)

Similarly, the Group was also a recipient of several Star Property Awards for our achievements in the property development industry. These awards are significant to us at LBS as it highlights the appreciation homebuyers have for our community-centric developments.

LBS' list of achievements and recognition for FY2022 includes:

- Deloitte's Best Managed Companies 2022 (Malaysia)
- BCI Awards – Asia Top 10 Developer Awards 2022
- Malaysia Developer Awards 2022 – Top 10 under RM1 billion category
- KSI Special Business Awards – The National Outstanding Entrepreneurs Lifetime Achievement Award (Tan Sri Lim Hock San)
- StarProperty Awards 2022:
  - All-Stars Award – Performing Developer Award
  - Digital Strategist Award (Excellent)
  - The Business Estate Award (Commercial development) – Cameron Centrum (Honours)
  - The Highlander Award – Vines 3, Cameron Golden Hills (Merit)
  - The Starter Home Award (Landed) – KITA Mesra Single Storey (Merit)
  - The Family Friendly Award (High Rise) – Prestige Residence (Merit)
  - The Family Friendly Award (Landed) – KITA Mekar Double Storey (Merit)

WE ARE PROUD TO HAVE RECEIVED THE PRESTIGIOUS "BEST MANAGED COMPANIES 2022 (MALAYSIA)" AWARD FROM DELOITTE.

Information on LBS' ESG and CSR initiatives can be found in the standalone Sustainability Report 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FISCAL PERFORMANCE

INDICATOR		FY2021	FY2022	% CHANGE
Group revenue	(RM'000)	1,365,757	**1,723,857**	26.22%
Group administrative and operating expenses	(RM'000)	220,462	**230,704**	4.65%
Group earnings before interest, taxes, depreciation, and amortisation ("EBITDA")	(RM'000)	303,431	**323,789**	6.71%
Group profit before tax ("PBT")	(RM'000)	176,808	**216,927**	22.69%
Group profit after tax ("PAT")	(RM'000)	114,922	**137,515**	19.66%
Finance costs	(RM'000)	61,490	**59,521**	-3.20%
Total equity	(RM'000)	1,707,416	**1,754,825**	2.78%
Total assets	(RM'000))	4,395,214	**4,165,330**	-5.23%
Total liabilities	(RM'000)	2,687,798	**2,410,505**	-10.32%
Total borrowings	(RM'000)	1,081,261	**917,239**	-15.17%
Cash and cash equivalents	(RM'000)	178,788	**261,531**	46.28%
Debt to equity ratio		0.63	**0.52**	-17.46%
Basic earnings per share ("EPS")	(sen)	5.16	**6.87**	33.14%
Net assets per share	(RM)	0.84	**0.89**	5.95%

Note: Shareholders' funds rose by RM70.9 million to RM1.38 billion in FY2022 from RM1.31 billion in FY2021

LBS has continued to register improvements in financial value creation for FY2022. On the back of a robust recovery in the country's property sector post the lifting of COVID-19 pandemic related restrictions, the Group has recorded improved revenues and earnings performance for the financial year.

In FY2022, underpinned by increased property sales, LBS's revenue rose 26.2% year-on-year, reaching a new high of RM1.72 billion. The biggest contributor to Group topline performance remained the property development division – contributing close to 96.0% of total revenues in FY2022.

Specifically, the property development division's performance was driven by both continuous strong demand and higher revenue recognition from key development projects at Bukit Jalil, LBS Alam Perdana, KITA @ Cybersouth and Skylake Residence. LBS' Klang Valley projects remained the largest revenue contributor, accounting for 84% of the Group's topline revenue for FY2022.

In FY2022, property sales had risen by 25% to reach RM2 billion in sales (FY2021: RM1.58 billion), which was a prime factor in stronger property revenues achieved. The sales performance had exceeded the Group's sales target by 25%.

FY2022

RM1.72 BILLION
Revenue

RM216.9 MILLION
PBT

RM137.5 MILLION
PAT

RM1.38 BILLION
Shareholders' Fund

RM261.5 MILLION
Cash and Cash Equivalents

The strong sales performance is a reflection of robust market demand for LBS' products, which are centred on a compelling value proposition of affordability, connectivity and community.

Underpinned by improved revenues, Group earnings for FY2022 had also improved strongly. PBT rose 22.7% to reach RM216.9 million, while PAT stood at RM137.5 million, 19.7% higher, year-on-year. Consistent with an improved earnings performance, EPS for FY2022 was higher at 6.87 sen, a 33.1% improvement year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

With cashflow remaining steady, LBS' cash and cash equivalents (including cash and bank balances) position has grown by 46.3% to reach RM261.5 million. The Group maintains sufficient cash balance to meet working capital requirements and as needed to fund business expansion plans such as landbank acquisition.

Despite facing various challenges such as manpower/labour scarcity, rising material and construction costs and various other operational challenges, the Group has been able to maintain a strong momentum of progress on all construction sites, which have enabled improved revenue recognition.

At the same time, LBS had doubled its sales and marketing activities, launching RM1.63 billion of new products, of which a large portion were properties catering to the affordable, mass market segment -- priced RM500,000 and below. The utilisation of digital mediums have enabled the Group to expand its reach and brand presence to connect with more property buyers nationwide.

In tandem with digital branding and marketing strategies, LBS relaunched proven sales campaigns, such as the LBS Fabulous Extra campaign 22-23, which offered LBS property buyers a total of RM1.5 million in attractive prizes and incentives.

BALANCE SHEET ITEMS

LBS continues to build its land base with an increase of non-current inventories to RM134 million for purposes of future opportunities. Liquid assets of the Group, in particular short term land held for property development and property development costs and completed properties inventories have reduced by RM327 million and RM112 million respectively due in part to the robust increase in revenue for the year from RM1.4 billion to RM1.7 billion.

Notwithstanding the increase in revenue, the Group has effectively increased its liquidity on turnover days by a reduction in trade receivables from RM395 million to RM358 million while recording a healthy cash position of RM365 million.

The overall liabilities position has also shown a substantial reduction from RM2.7 billion to RM2.4 billion, due to robust property sales and efficient collection, all in all contributing to higher net assets per share from RM0.84 to RM0.89.

In particular, robust sales and efficient collection supported faster redemption sums being received from end financiers for on-going projects. This resulted in total borrowings decreasing by 15.2% to fall below the RM1 billion mark to RM917.24 million.

LBS's reduction in total assets is mainly due to reductions in land held for property development and property development costs as a result of "progressive cost recognition" to cost of sales when there is increased sales and construction work done or the achievement of vacant possession for projects. The progressive cost recognition gives rise to higher revenue and profit.

BUSINESS OPERATIONS IN REVIEW

	FY2021				FY2022			
SEGMENT	REVENUE (INCLUDED INTER-SEGMENT)	LESS: INTER-SEGMENT REVENUE	REVENUE FROM EXTERNAL CUSTOMERS	PROFIT/ (LOSS) BEFORE TAX ("PBT"/"LBT")	REVENUE (INCLUDED INTER-SEGMENT)	LESS: INTER-SEGMENT REVENUE	REVENUE FROM EXTERNAL CUSTOMERS	PROFIT/ (LOSS) BEFORE TAX ("PBT"/"LBT")
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	1,302,298	–	1,302,298	176,270	1,654,136	–	1,654,136	230,806
Construction and Trading	583,579	(549,342)	34,237	37,010	589,283	(554,047)	35,236	23,960
Motor Racing Circuit	21,266	–	21,266	(6,367)	14,841	–	14,841	(10,802)
Hotel	1,983	–	1,983	(7,165)	11,104	–	11,104	(2,798)
Management and Investment	512,921	(512,616)	305	(19,435)	125,036	(124,274)	762	(18,283)
Others	18,967	(13,299)	5,668	(3,505)	45,210	(37,432)	7,778	(5,956)
TOTAL	**2,441,014**	**(1,075,257)**	**1,365,757**	**176,808**	**2,439,610**	**(715,753)**	**1,723,857**	**216,927**

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT

The property market showed signs of recovery in FY2022, especially closer towards the end of the financial year. While the market has not yet returned to pre-pandemic levels, LBS was still able to generate RM2 billion in sales. This surpassed our previous target by 25% and further strengthened our position as the people's choice for affordable housing.

> **LBS was still able to generate RM2 billion in sales. This surpassed our previous target by 25% and further strengthened our position as the people's choice for affordable housing**

Overall, the Group launched a total of 10 housing projects with a total GDV value of RM1.63 billion. Throughout FY2022, a total of 4,763 units were sold, an 49.8% increase from units sold in FY2021. A large portion of these involved projects between the price range of RM250,000 and RM500,000.

Our robust growth in FY2022 can be attributed back to our dedicated pool of employees and increased integration of digitalisation and technological innovations across all layers of our business operations, particularly as a marketing and back-end support tool. In FY2022, we invested close to RM75.9 million on our employees, RM0.21 million of which went towards providing training and upskilling opportunities. Similarly, our marketing budget saw an increase of 36% compared to the previous years.

These marketing campaigns were aimed at driving greater interactions with our customer base while boosting interest in LBS' affordable yet high-quality projects. In FY2022, a total of 4 marketing campaigns were held, including:

- LBS Fabulous Extra 22-23, which was launched in July 2022, and it gave out RM1.5 million worth of lucky draw prizes to 2,000 homebuyers
- "Shop with Watsons and Walk Away with a Home" Campaign
- CNY Campaign

Collaboration with Watson's Malaysia

CONSTRUCTION AND TRADING

LBS' construction and trading sector falls under the direct supervision of our subsidiary, MGB Berhad ("MGB"). As a critical player in the construction industry, MGB was able to navigate through the challenging period of FY2022 deftly.

The construction sector, in particular, was among the most affected by the lingering effects of the pandemic and more recent global economic upheavals throughout FY2022. Recent geopolitical events and logistical issues reduced the supply of almost all major construction materials, which caused costs to increase significantly. The price of steel increased by 3.4% at the end of FY2022 compared to a year ago, while cement saw an increase of almost 10% during the same period. Adding to this was the issue of labour shortage. The construction industry, in particular, was among the hardest hit sectors, with a shortage of around 400,000 workers, as reported by the Construction Industry Development Board ("CIDB").

MANAGEMENT DISCUSSION AND ANALYSIS

These issues in tandem have caused unfavourable market conditions as costs increased substantially and launches were forced to be delayed. This led to financial constraints that forced a number of projects to be abandoned. The Housing and Local Government Ministry revealed that around 20% of planned projects were abandoned in FY2022. In comparison, the level of abandoned projects before the pandemic was 10.3%. While conditions improved ultimately, property overhang towards the end of FY2022 still remained significant, with close to 30,000 unsold units.

Despite the challenges, LBS was able to leverage on MGBs construction expertise, especially the utilisation of IBS technologies, to increase the revenue of the construction and trading segment from RM584 million in FY2021 to RM589 million in FY2022. Through the extensive use of IBS, MGB, and by extension, LBS, had successfully cut down construction time and reliance on manual labour by 33% and 31%, respectively. In the end, this translated to a reduction in on-site labour costs by around 49%.

However, even with the increased reliance on IBS, operating costs throughout FY2022 remained elevated, given the fluctuations in material prices and ongoing labour shortages. This countered the growth in revenue the sector experienced with a drop in profitability. PBT for the construction and trading sector dropped to RM24 million in FY2022 from RM37 million in FY2021.

MOTOR RACING CIRCUIT

There were no significant business activities involving ZIC in FY2022, however, as China had enforced a complete economic lockdown for almost the entire year. Even so, the circuit recorded a revenue of RM15 million and LBT of RM11 million as compared to a revenue of RM21 million and LBT of RM6 million for FY2021. The decrease in revenue was mainly due to the expiry of a one-off consultancy service contract and a decrease in rental income. The increase in LBT was mainly due to a decrease in revenue and higher administrative and operating expenses.

HOTEL

With Malaysia reopening its borders early into FY2022, the tourism sector was among the earliest to begin its recovery post-pandemic. As among the fastest-growing sectors in Malaysia, this sector could catalyse a complete recovery of the national economy.

LBS understands the high growth potential offered by the sector and has taken proactive steps to explore our prospects within the hospitality sector. This began in FY2021 with the development of our flagship SCAPES Hotel in Genting Highlands. At the time of opening, a large majority of guests to the hotel were from the domestic market, particularly leisure or free independent travellers ("FITs"). These groups contributed to 71% of guests during the period, while the remaining were corporate or government meeting groups.

With the complete reopening of the country, however, LBS' hotel divisions are expecting to see a return of international tourists as well. For FY2022, hotel operations recorded a revenue of RM11 million and LBT of RM3 million as compared to a revenue of RM2 million and LBT of RM7 million for FY2021.

To further capitalise on this, LBS has planned to launch hotel and tourism components in another hillside resort town – Cameron Highlands. Through the development of the integrated township of Cameron Centrum in Brinchang, Cameron Highlands, LBS aims to capitalise on the natural beauty of its surroundings with the vibrancy of LBS' modern township. The new 10-storey four-star hotel is expected to be completed within the next two years and will provide a fresh accommodation option for locals, weekend holidaymakers, and long-staying tourists.

New hotel in the pipeline at Cameron Centrum, Cameron Highlands

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT AND INVESTMENT

The Group's management and investment comprise of investment holding and provision of management services. Overall, we recorded a significantly lower revenue of RM125 million in FY2022 compared to RM513 million in the previous financial year. The Group's decreasing revenue was a result of lower intra-group dividend income.

Despite the lower revenue, however, the Group's LBT, at RM18 million, was slightly lower than the RM19 million recorded in FY2021. The marginal decrease in LBT was mainly arising from increase in intra-group interest income and project management services after provision for retirement benefits.

OTHERS

The Group's other business operations mainly comprise leasing and management of a retail mall, provision of treasury management services, financing through money lending and car park management.

These operations saw a significant increase in revenue from RM19 million in FY2021 to RM45 million in FY2022, mainly from the mall business and treasury management services. This improvement was thanks to higher intra-group interest income from the treasury management services and improved mall traffic.

On the other hand, higher administrative and operating costs contributed to a rise in this segment's LBT. In FY2022, LBS' LBT rose by RM2 million to reach RM6 million in FY2022 from the RM4 million recorded in the previous year.

DISBURSEMENT OF DIVIDENDS

LBS is grateful for our shareholders' continuous support, which has allowed us to maintain our growth throughout the years. Thus, to continue rewarding their loyalty and in line with our dividend policy, the Group will maintain a 30% dividend pay-out after taxes and non-controlling interests.

A PROMISING FUTURE

ANTICIPATED RISKS

While LBS is confident of the Group's prospects going into FY2023, we are aware that there may be various challenges and uncertainties that could bring undue risk to our business operations. However, given the recovering economic trend, especially at the tail-end of FY2022, we remain optimistic that the national economy is on the path towards recovery.

At the same time, the Board's Risk Management Committee will continue monitoring current events for any unexpected risks that may dampen LBS' growth. This will also allow us to align our business strategies to react quickly to any potential risks and capitalise on emerging opportunities.

LBS has compiled all anticipated key risks and opportunities on pages 71 of this report.

PLANS MOVING FORWARD

Malaysia's economic prospects going into FY2023 remain positive, especially as more of our trade partners begin removing their pandemic restrictions and reopening borders. LBS foresees that this will bring forth more opportunities for the Group to grow.

For once, the political stability in the country renewed investor confidence in the country, leading to Malaysia retaining its position as one of the leading players in the ASEAN region. Likewise, inflationary pressures that weakened consumer purchasing power also showed signs of slowing. While inflation could still be an issue moving forward, the worse of its effects are expected to be behind us.

In the local housing market, LBS acknowledges that there may still be some lingering effects from past market upheavals, but we are cautiously optimistic that this will not have a major impact on its pace of recovery. With the Ringgit strengthening and BNM pausing further interest rate hikes, we are confident that buyers will feel incentivised to return to the property market. This is particularly true for affordable developers like us, as our buyers are more sensitive to interest rates.

MANAGEMENT DISCUSSION AND ANALYSIS

Malaysia and LBS' growth prospects are further supported by the reopening of more economic borders around the world. China, as one of Malaysia's largest trading partners, could help support the growth of the local economy and cushion any potential impacts from a global recession. Growth in demand and a boost in consumer interest could see the market picking up momentum.

LBS has high hopes of capitalising on the foreseen economic growth. To this end, we have set our focus on launching 9 new projects in FY2023, with a combined GDV of RM2.09 billion.

STATE	PROJECT	TOTAL UNITS	GDV (RM)
Klang Valley	KITA Bestari	817	418 mil
	Prestige Residence	725	313 mil
	Astella	155	139 mil
	BSP Sutera	421	199 mil
Johor	Imperial Garden	63	40 mil
	Emerald Garden	26	11 mil
	Pangsapuri Saujana Indah	988	436 mil
Pahang	Bayu Hills	642	482 mil
Perak	Taman Kinding Flora	184	49 mil
Total		**4,021**	**2.09 bil**

While LBS has always reacted opportunistically to the dynamic mix of properties, the focus in FY2023 will begin shifting back towards the development of more affordable properties, in line with our stance as the People's Developer. To this end, LBS will be focusing our attention on launching the remaining Idaman projects.

LBS understands the ever-growing need for affordable housing in Malaysia. To this end, we are committed to supporting the government in developing affordable housing to fulfil the country's housing needs, especially in the Klang Valley. By partnering with the Selangor state government, LBS is developing the Rumah Idaman MBI project. Targeted towards the lower- and middle-income members of the community, this project aims to address the acute shortage of affordable yet high-quality housing in Malaysia by developing 30,000 homes by 2025. Another project with a similar set of goals is KITA@Cybersouth. Developed as a gated and guarded township, the project aims to provide 817 units of affordable housing, ranging from single-storey link houses, double-storey link houses, townhouses, and service apartments, that balance the need for adequate facilities with the serenity and privacy of nature.

Additional information and more detailed analyses of the Group's plans moving forward are disclosed on pages 75 of this report.

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

		2018 [1]	2019 [1]	2020 [2]	2021	2022
Revenue	(RM'000)	1,122,088	1,325,260	1,096,331	1,365,757	**1,723,857**
Profit before tax	(RM'000)	159,135	154,065	123,037	176,808	**216,927**
Profit after non-controlling interests	(RM'000)	85,560	67,511	43,741	95,619	**128,539**
Share capital	(RM'000)	922,232	922,473	922,887	922,887	**922,887**
Equity attributable to owners of the parent	(RM'000)	1,349,454	1,348,655	1,291,594	1,307,866	**1,378,741**
Basic earnings per share	(sen)	5.53	3.93	2.15	5.16	**6.87**
Gross dividend per share						
- ordinary share	(sen)	1.80	– #	1.45	1.85	**2.45** *
- redeemable convertible preference shares ("RCPS")	(sen)	6.60	6.60	6.60	6.60	**6.60**
Net assets per share	(sen)	86.57	87.25	82.71	83.80	**88.81**

Remarks

1 The comparative figures have not been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

2 The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

\# Share dividend distribution on the basis of 3 treasury shares for every 100 existing ordinary shares held, fractions of treasury shares were disregarded.

* First interim single-tier dividend of 1.20 sen per ordinary share has been declared by the Board of Directors on 18 April 2023 and to be paid on 17 July 2023.

* Final single-tier dividend of 1.25 sen per ordinary share to be approved by shareholders at the forthcoming 23rd Annual General Meeting.

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 DECEMBER 2022

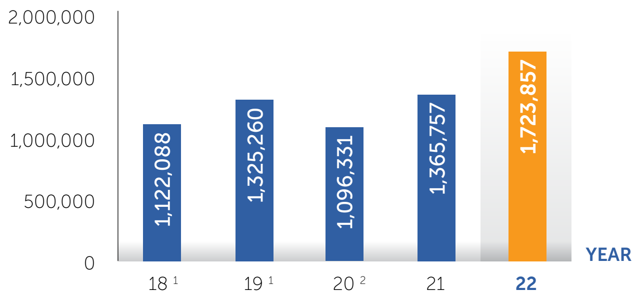
FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
ended 31 March 2022	ended 30 June 2022	ended 30 September 2022	ended 31 December 2022
Announcement of Quarterly Results:	Announcement of Quarterly Results:	Announcement of Quarterly Results:	Announcement of Quarterly Results:
18 MAY 2022	**22 AUGUST 2022**	**21 NOVEMBER 2022**	**21 FEBRUARY 2023**

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

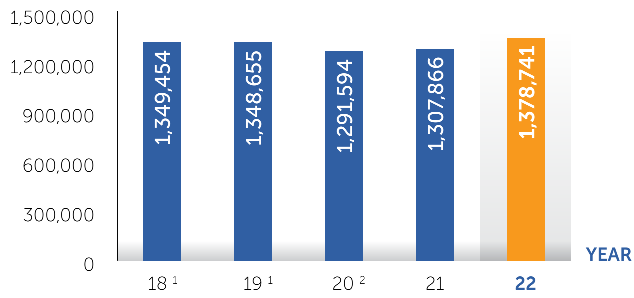
REVENUE

(RM'000)



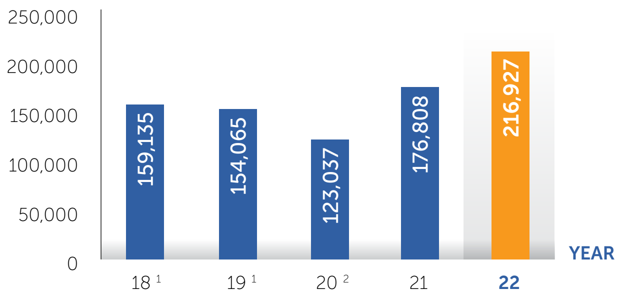
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

(RM'000)



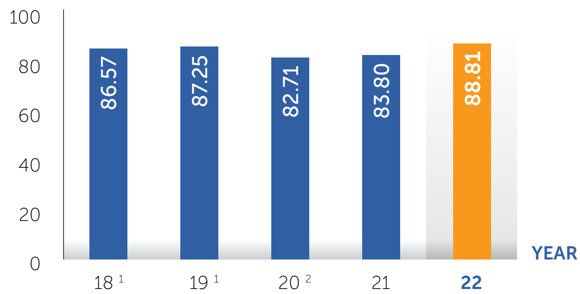
PROFIT BEFORE TAX

(RM'000)



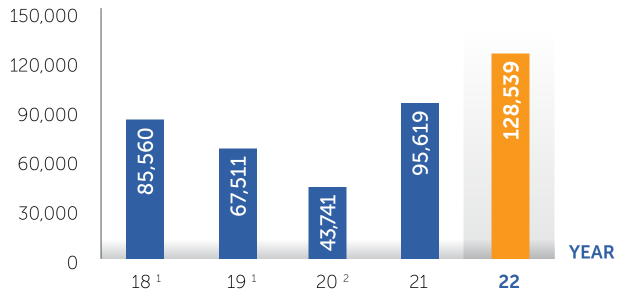
NET ASSETS PER SHARE

(SEN)



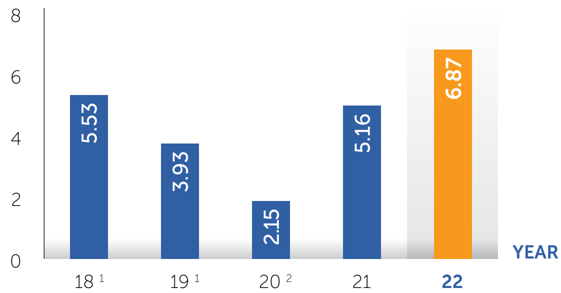
PROFIT AFTER NON-CONTROLLING INTERESTS

(RM'000)



BASIC EARNINGS PER SHARE

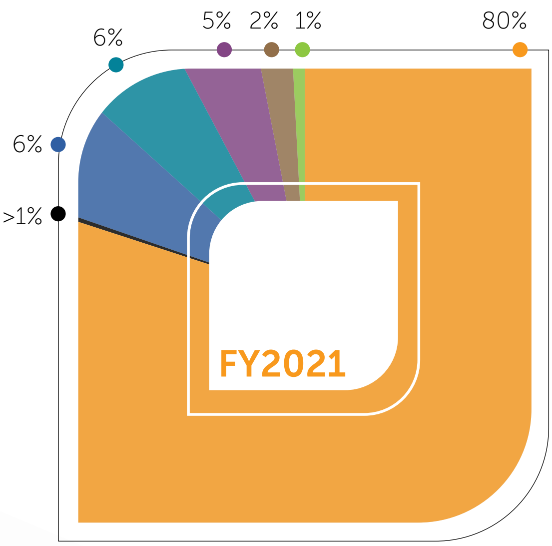
(SEN)

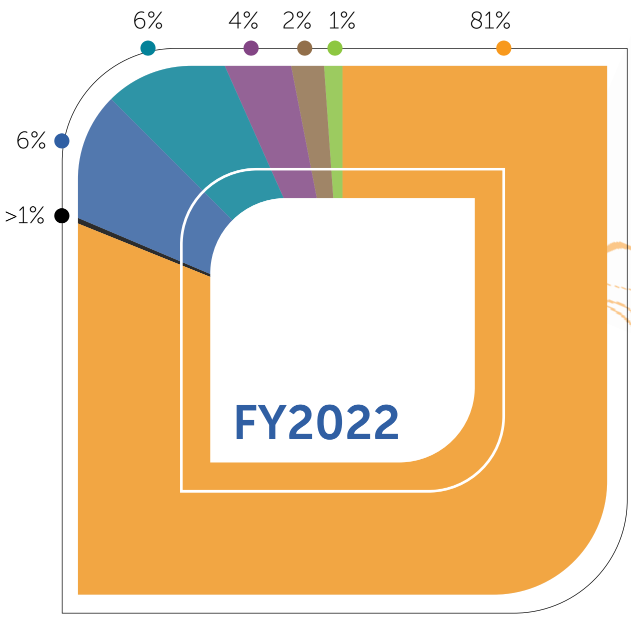


STATEMENT OF VALUE ADDED DISTRIBUTION & SIMPLIFIED FINANCIAL STATEMENT

In addition to the audited financial accounts and statements, LBS has also provided its annual statement of value created and distributed as well as a simplified financial statement. This is to provide a snapshot of the Group's fiscal and operational performance. Further information explaining key specifics of the financial results are provided in the Management Discussion and Analysis section of IAR2022.

DISTRIBUTION OF ECONOMIC VALUE





FY2021 RM'000		ITEM	FY2022 RM'000	
1,044,339	80%	Operating costs	**1,367,403**	**81%**
1,359	<1%	Community investments	**1,576**	**<1%**
83,747	6%	Employee salaries and benefits	**101,249**	**6%**
72,939*	6%	Corporate taxation	**98,880**	**6%**
61,490	5%	Finance costs	**59,521**	**4%**
28,855	2%	Dividend expenses	**35,059**	**2%**
8,840	1%	Distribution to Perpetual Sukuk holders	**15,193**	**1%**

STATEMENT OF VALUE ADDED DISTRIBUTION & SIMPLIFIED FINANCIAL STATEMENT

NO.	ITEM	FY2020 # RM'000	FY2021 RM'000	FY2022 RM'000
	VALUE CREATED AND DISTRIBUTED			
1	Economic value generated	1,113,271	1,379,594	**1,742,739**
2	Economic value distributed	1,083,636*	1,301,569*	**1,678,881**
3	Operating costs	846,938	1,044,339	**1,367,403**
4	Community investments	1,437	1,359	**1,576**
5	Employee salaries and benefits	74,090	83,747	**101,249**
6	Corporate taxation	61,136*	72,939*	**98,880**
7	Finance costs	67,536	61,490	**59,521**
8	Dividend expenses	28,043	28,855	**35,059**
9	Distribution to Perpetual Sukuk holders	4,456	8,840	**15,193**
10	Economic value retained	29,635*	78,025*	**63,858**
	SIMPLIFIED STATEMENT OF ASSETS			
1	Property, plant and equipment	44,141	50,588	**44,228**
2	Right-of-use assets	307,933	372,537	**349,550**
3	Investment properties	147,880	162,142	**191,822**
4	Deferred tax assets	48,508	58,571	**75,611**
5	Trade and other receivables	378,562	605,339	**552,673**
6	Deposits, cash and bank balance	302,200	282,753	**365,111**
7	Inventories - property development costs	1,856,548	1,909,217	**1,716,236**
8	Inventories - completed properties and others	264,782	236,337	**122,703**
	SIMPLIFIED STATEMENT OF LIABILITIES AND SHAREHOLDERS' EQUITY			
1	Total debts	1,113,782	1,081,261	**917,329**
2	Share capital	922,887	922,887	**922,887**
3	Trade and other payables	1,379,288	1,532,360	**1,398,817**
4	Deferred tax liabilities	38,496	39,515	**35,957**
5	Retained earnings	532,298	590,474	**672,930**
6	Other reserves	(160,906)	(202,304)	**(210,418)**

Remark

 # The comparative figures have been restated following the adoption of IFRIC Agenda Decision of MFRS 123 Borrowing Costs.

** Adjustments made to figures.*

INVESTORS RELATIONS

In line with its commitment towards active shareholder engagement, LBS has continued to adopt an active approach in its investor relations activities.

The purpose of the engagement is to provide company updates and enable fund managers, analysts, investors, shareholders and where relevant, the regulator Bursa Malaysia to have a true, fair and current perspective of the Group. This entails not only a timely dissemination of company announcements on a regular basis, but also actively engaging with investor related stakeholders through briefings, media interviews and press conferences, participation in investor roadshows and one-to-one engagements with research analysts. Such engagements and disclosures are also performed to ensure compliance with best practices and the requirements set by the regulator.

Among the communication channels utilised to disseminate information include the Group's website, which has a dedicated Investor Relations section, press releases, corporate announcements to the regulator as well as the use of media channels.

The Group also provides multiple avenues such as phone, email and social media for stakeholders to contact the Group on any matters. All enquiries are responded to on a timely basis.

As mandated by the Main Market Listing Requirements, LBS holds an annual general meeting ("AGM"), which is attended by its shareholders. During the AGM, the Chairman of the AGM typically encourages attendees to raise questions and seek clarification on the motions/resolutions presented for voting. Senior Management are also present and the AGM involves considerable amount of company information presented, including detailed specifics on fiscal performance, plans going forward, prospects for the property industry and more.

The following is a snapshot of the various investor relations activities undertaken in FY2022:

286
ANNOUNCEMENTS
to **Bursa Malaysia**
and on the
Group's website

18
VIRTUAL and
PHYSICAL
meetings and
engagements

1
VIRTUAL AGM
(22nd)

Covered by
5
RESEARCH HOUSES
(CGS-CIMB Securities, Public Invest Research, Apex Securities Berhad, KAF Research and RHB Research) with all
5
PROVIDING BUY CALLS

INVESTORS RELATIONS

ANALYSTS RESEARCH COVERAGE

NO.	ITEM	DATE	CALL	TARGET PRICE	ORGANISATION
Q1 FY 2022					
1	LBS Bina Group More new launches in coming quarters	18 May 2022	Buy	RM0.64	CGS-CIMB
2	LBS Bina Group 1Q22 results in line	18 May 2022	Buy	RM0.60	KAF Equities Sdn Bhd
3	LBS Berhad: Resilient Property Sales	19 May 2022	Buy	RM0.62	JF Apex Securities Berhad
4	Another Strong Quarter	19 May 2022	Outperform	RM0.69	Public Investment Bank
5	A Strong Quarter; Maintain	19 May 2022	Maintain/Buy	RM0.63	RHB Investment Bank Bhd
Q2 FY 2022					
6	On track to hit FY22F new sales target	22 August 2022	Buy	RM0.54	CGS-CIMB
7	2Q22 results above expectations	22 August 2022	Buy	RM0.58	KAF Equities Sdn Bhd
8	Stellar 2Q22	23 August 2022	Buy	RM0.62	JF Apex Securities Berhad
9	Above Expectations	23 August 2022	Outperform	RM0.67	Public Investment Bank
10	Consistently Delivering; Keep, Buy	23 August 2022	Maintain/Buy	RM0.64	RHB Investment Bank Bhd
Q3 FY 2022					
11	Surpassing its FY22 new sales target	21 November 2022	Buy	RM0.56	CGS-CIMB
12	Setting a new record	22 November 2022	Buy	RM0.62	APEX Securities Berhad[1]
13	9M sales exceeded FY22 target	22 November 2022	Buy	RM0.56	KAF Equities Sdn Bhd
14	Strong Pre-Sales	22 November 2022	Outperform	RM0.67	Public Investment Bank
15	Beating Its FY22 Sales Target; Maintain BUY	22 November 2022	Maintain/Buy	RM0.56	RHB Investment Bank Bhd
Q4 FY 2022					
16	Record sales achieved for FY22	21 February 2023	Buy	RM0.58	KAF Equities Sdn Bhd
17	Continued Success Ahead	22 February 2023	BUY	RM0.61	APEX Securities Bhd
18	Eyeing RM2bn Pre-sales in FY23	22 February 2023	Outperform	RM0.67	Public Investment Bank
19	Healthy Pipeline of New Projects; Keep BUY	22 February 2023	BUY	RM0.56	RHB Investment Bank Bhd
20	N/A	N/A	N/A	N/A	CGS-CIMB*

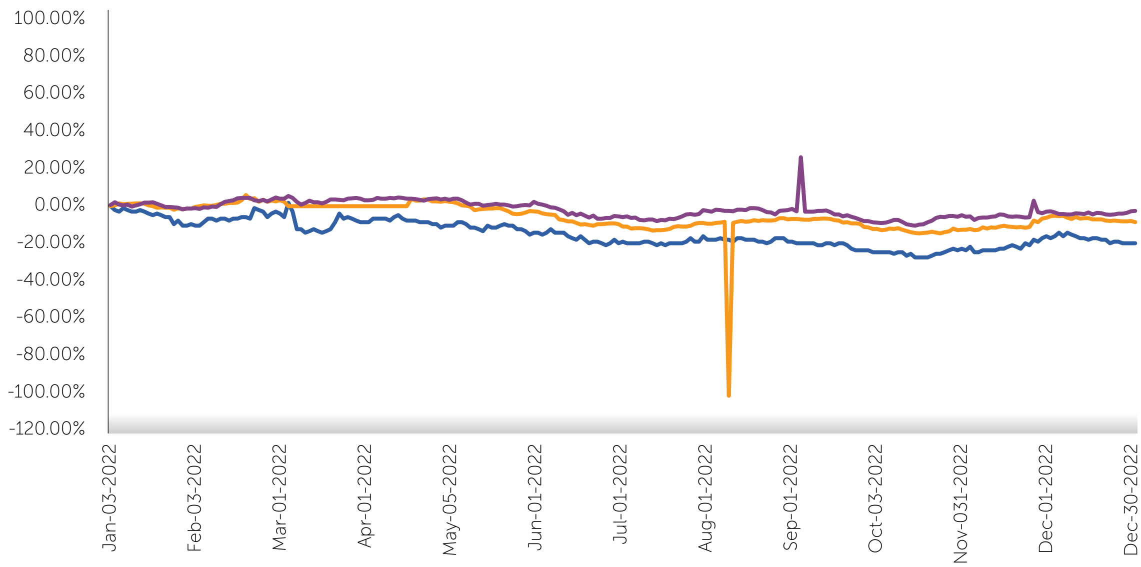
[1] *Formerly known as JF Apex Securities Berhad*

* *CGS-CIMB did not issue a research report for Q4FY2022 as it is in the midst of transferring analyst coverage.*

INVESTORS RELATIONS

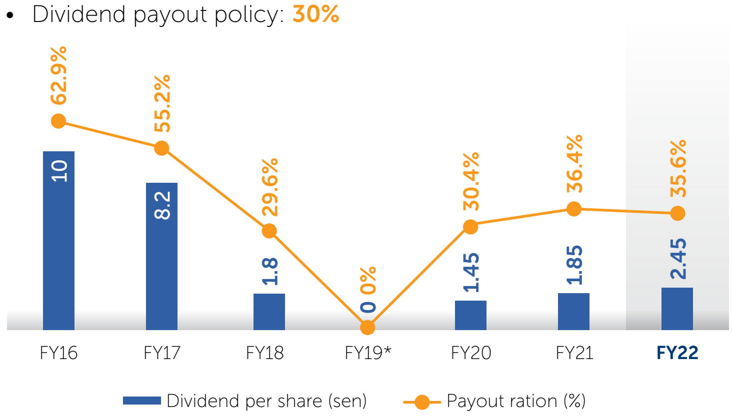
ANALYSTS RESEARCH COVERAGE

- LBS Bina Group capital is **1.57 billion shares**
- Market Capitalisation as of 31 December 2022 = **RM652 million**
- Highest share price = **RM0.525** (03 January 2022)
- Lowest share price = **RM0.380** (18 October 2022)
- No. of shareholders (as at 31 December 2022): **8,765 shareholders, 3.65%** increase from 8,456 shareholders as at 31 December 2021.



DIVIDEND PERFORMANCE

- Dividend per share: **2.45 sen** per ordinary share
- Total dividend payout for FY2022: **35.6%**
- Dividend payout policy: **30%**



** LBS distribute Dividend in Specie for FY19*

INVESTOR RELATIONS CONTACT DETAILS

Feedback or enquiries can be sent to:

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Tel : +603 7733 7752
Email : shuwain@imejjiwa.com

Name : Ahmad Syafiq Bin Shaharuddin
Tel : +603 7861 8036
Email : ahmadsyafiq@lbs.com.my

05

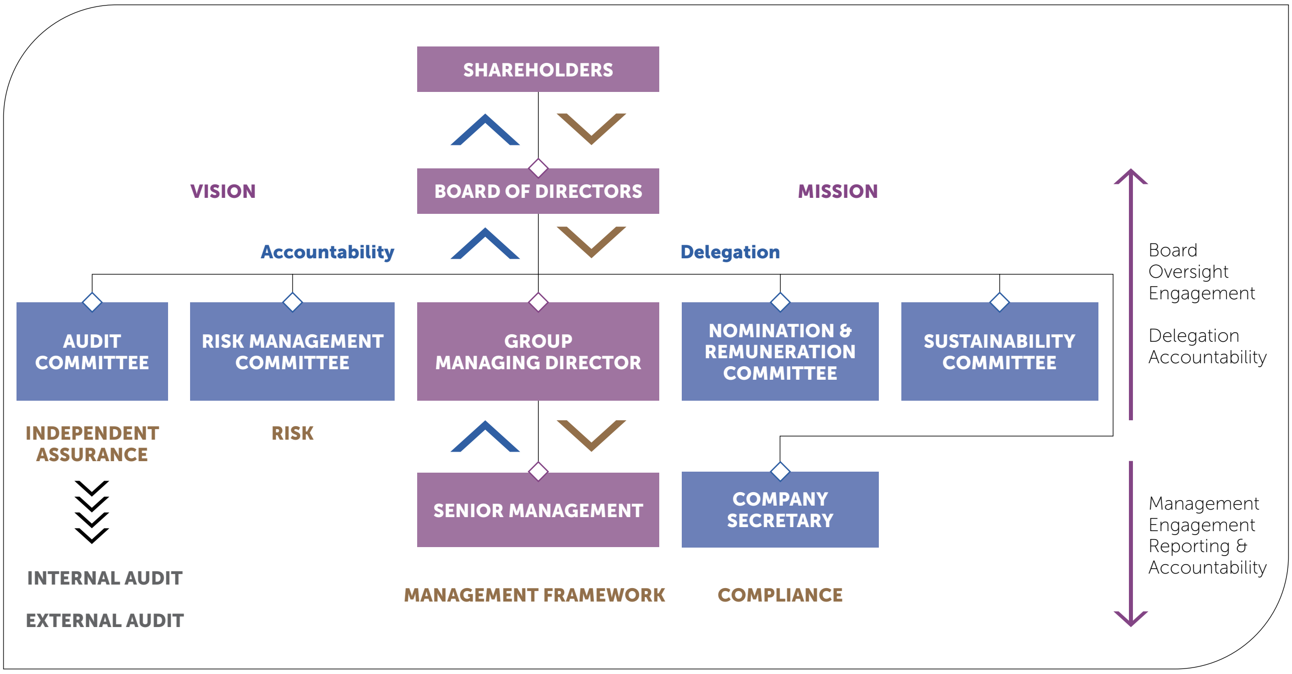
OUR COMMITMENT TO GOOD GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Good corporate governance is an essential ingredient to the cultural and operational transformation that has, and continues, to take place within the Group. The Board continues to set the strategic direction and standards of the Group and exercises diligent oversight of the Group's activities, and is committed to upholding transparency, integrity and accountability by implementing and maintaining a strong culture of corporate governance within the Group.

LBS has continued its cultural and operational transformation, which has accelerated with the leadership of Tan Sri Dato' Sri Lim Hock San as Executive Chairman and Datuk Wira Lim Hock Guan as Group Managing Director/Chief Executive Officer ("GMD/CEO"). There is further progress to be made and this will remain a clear focus of the Board.

GOVERNANCE FRAMEWORK



The Corporate Governance Framework is premised upon the following statutory provisions, best practices, policies and guidelines:

1. Companies Act, 2016;
2. Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"); and
3. Malaysian Code on Corporate Governance issued in 2021 ("MCCG").

Pursuant to Bursa Malaysia's corporate governance disclosure requirements as per Para 15.25 and Practice Note 9 of the MMLR, the Board is pleased to set out a summary of the Group's corporate governance practices during the financial year ended 31 December 2022 ("FY2022") in this Corporate Governance Overview Statement ("CG Overview Statement"), which provides an overview of how LBS has applied the following three (3) principles as set out in the MCCG:

1. Board leadership and effectiveness;
2. Effective audit and risk management; and
3. Integrity in corporate reporting and meaningful relationship with stakeholders.

In addition to this, the application of each of the Practices set out in the MCCG is disclosed in our standalone Corporate Governance Report ("CG Report") which is available on the Group's corporate website at www.lbs.com.my and within an announcement made by the Company on the website of Bursa Malaysia at www.bursamalaysia.com. The CG Report provides specific disclosure on how LBS has applied to each corporate governance practice outlined in the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Responsibilities of the Board

The Board takes full responsibility for leading, governing, guiding and monitoring Company performance as well as enforcing standards of accountability including the process for financial reporting, risk management and compliance.

The Board assumes, amongst others, the following roles and responsibilities:

- To formulate and evaluate the strategic plans and direction of the Group to support long-term value creation, including strategies on economic, environmental and social considerations underpinning sustainability;

- To ensure the necessary resources are in place for the company to meet its objectives and strategic plans and lead, monitor management performance in implementing the strategic plans;

- To oversee the conduct of the Group's businesses and financial and non-financial performance;

- To identify principal risks affecting the Group, setting the risk appetites and to ensure the implementation of appropriate internal controls and mitigation measures;

- To promote good corporate governance culture together with senior management within the Group which reinforce ethical, accountable and profession behaviour;

- To review, challenge and decide on management's proposals for the Group, and monitor its implementation by management;

- To establish and review training programmes and succession planning for the Board and all candidates appointed to senior management positions are of sufficient calibre;

- To approve the change of corporate organisation structure plan including new investments or divestments both locally or abroad;

- To oversee the development and implementation of stakeholder communication policy for the Group; and

- To review the adequacy and the integrity of the Group's management information and internal control system.

Separation of Positions of the Chairman and Group Managing Director/Chief Executive Officer

In ensuring to have a proper balance of power and authority, the positions of the Chairman and GMD/CEO are held by different individuals. The clear division of the roles and responsibilities of Chairman and GMD/CEO as below:

Roles of the Chairman

The Chairman of the Board is mainly responsible for providing leadership for the Board to perform effectively, lead the board to practice a high standard of corporate governance, set the corporate cultural tone from the top, chair Board meetings and set Board agendas, and promote effective Board relationships. He is also responsible for determining the strategic direction of the Group for the Board's consideration and approval.

The Chairman acts as the Group's primary official spokesperson and he also serves as Chair of all shareholders' meeting of the Company.

Roles of the GMD/CEO

The GMD/CEO assumes the overall responsibility for the implementation of the Group's strategy and in carrying out the Board's directions, managing the businesses of the Group and driving performance within strategic goals and commercial objectives. The GMD/CEO leads the management team in carrying out the corporate strategy and vision of the Group, and acts as a liaison between the Management and the Board and ensuring that key developments and/or issues are communicated to the Board accordingly.

The specific responsibilities of the Group GMD/CEO include:-

- Developing strategic direction, including short-term and long-term business plans;
- Ensuring strategies and corporate policies are effectively implemented;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Ensuring Board decisions are implemented and all decisions reflect its environment, social, governance intentions as articulated in the sustainability policy/ statement;
- Providing leadership by effectively communicating the vision, management culture, business strategy and sustainability to the employees;
- Keeping the Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is distributed to Board members; and
- Ensuring the day-to-day business affairs of the Group are effectively managed.

Meeting Materials and Supply of Information

The Key Senior Management team has an obligation to supply the Board and Board Committees with adequate information in a timely manner, to enable them to make informed decisions. Where more information is required than those voluntarily given by the Key Senior Management team, all Directors are allowed to make further enquiries where necessary. Therefore, the Board and individual Directors have separate and independent access to the Company's Key Senior Management for additional information and advice at all times.

The Board is furnished with financial and non-financial information in order for them to monitor the Company's performance against its strategic objectives. The information provided includes but is not limited to:

- quarterly financial performance reports of the Group;
- risk assessment reports on major investments and divestments of the Group;
- major operational and financial reports including sales analysis and debtor aging;
- reports on the digitalisation roadmap implementation;
- updates on the progress of governance on sustainability including implementation of initiatives on environment, economic, social and governance.
- the Group's risk profile;
- updates on governance matters on integrity including conflict of interest, related party transactions and whistleblowing.
- updates on corporate exercises and significant compliances; and
- updates on regulatory and legislation changes.

Presentations on major proposals are made at meetings of the Board and Board Committees in a manner that are clear and adequate information on the subject matter is delivered. All Directors have the right and duty to make further enquiries where they consider necessary. Members of the Key Senior Management team are invited to the meeting to provide insight and to furnish clarification on issues that may be raised by the Board.

To ensure that the Board receives information in a timely manner, the Company Secretaries are responsible for ensuring notices of meetings are sent to the Directors at least five clear days in advance. The Company Secretaries shall compile all relevant meeting materials and deliver these in an eBook format on the same day that the notices are sent. This provides the Board with sufficient time to go through the meeting eBook and to raise questions or concerns during the meeting.

All Directors, whether as a full Board or individually, have full and unrestricted access to the advice and services of the Key Senior Management team, Company Secretaries, Internal Auditors and External Auditors in discharging their duties in accordance with the Terms of Reference of the Board Committees.

When necessary, the Board members may seek external professional advice, whether as a full Board or in their individual capacities, to enable them to discharge their duties with adequate knowledge at the expense of the Company. In addition, the Board has unrestricted access to the Company's information and receives regular information updates from the Management. The corporate announcements released to Bursa Malaysia are also emailed to all Directors.

The Company Secretaries, who attend each Board Meeting play an important role in ensuring that Board procedures are adhered to at all times during the meetings. They are to advise the Board on matters such as corporate governance requirements and Directors' responsibilities in complying with relevant legislation and regulations. During the year 2022, the Board was updated by the Company Secretaries on matters pertaining to new regulations or requirements concerning their duties and responsibilities. These updates centred mainly on the amendments to the MMLR of Bursa Malaysia and the Companies Act, 2016.

Qualified Company Secretaries

The Board is supported by two Company Secretaries, namely Ms. Lee Ching Ching, ("Ms. Doris Lee") and Ms. Chooy Wai Nee ("Ms. Christine Chooy").

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Ms. Doris Lee has been the Company Secretary of the Group of Companies since 2000. She is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). Whereas Ms. Christine Chooy, who was appointed as a Joint Company Secretary for the Company in 2019, is an Associate member of MAICSA. Both are qualified Chartered Secretaries under Section 235(2) of the Companies Act, 2016.

The Board members and Board Committees have unlimited access to the services of the Company Secretaries and are kept updated on new regulations, requirements and current developments in the regulatory framework and governance practices relating to their duties and responsibilities.

The roles and responsibilities of the Company Secretaries shall include, but are not limited to the following:-

i. Advising the Board on its roles and responsibilities;
ii. Facilitating the orientation of new Directors and assisting in Directors' training and development;
iii. Advising the Directors on corporate disclosures and compliance with Company and securities regulations and listing requirements including:-
    - disclosure of interests in securities;
    - disclosure of any conflict of interest in a transaction involving the Group;
    - prohibition of dealing in securities; and
    - restrictions on disclosure of price-sensitive information.
iv. Managing processes pertaining to the directors', Board Committees' and shareholders' meeting;
v. Monitoring corporate governance development and assist the Board in applying governance practices; and
vi. Serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

Board Charter

The Board Charter comprises, amongst others, the following key areas:

- **Roles and Responsibilities** of the Board, Board Committees, Chairman, GMD/CEO and Senior Independent Non-Executive Director;
- **Board Size and Composition**;
- **Board Functions** on Ethics and Compliance, Risk Management, Policy and Procedures, Sustainability and Stakeholder Communications;
- **Board Efficiency** on Selection of Candidates, Appointments to the Board, Terms of Appointment, Tenure of Independent Directors, Board Diversity, Directors' Remuneration, Board Effectiveness, Board and Management, New Directorships and Time Commitment, Restriction of Directorships, Directors' Training and Development and Company Secretary; as well as
- **The Process** for Board Meetings, Committee Meetings and Decision-Making.

The following are some of the key matters reserved for the Board:

- Review, debate and approval of corporate strategies, plans, targets and programmes proposed by Management prior to their implementation and execution;
- Approval and monitoring of the progress of material investments and divestments, mergers and acquisitions, corporate restructuring both locally and abroad;
- Appointment of new Directors and Chief Executive Officer/Managing Director based on recommendation of the Group's Nomination and Remuneration Committee ("NRC");
- Annual financial statements and the quarterly financial results prior to releasing to Bursa Malaysia; and
- Material related to party transactions and capital financing.

Formalised Ethical Standards through Code of Ethics

The Group's Code of Ethics for Directors and employees continues to govern the standards of ethics and good conduct expected from Directors and employees.

Directors' Code of Ethics

The Board in discharging its functions, aside from observing the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia, the provisions of Companies Act, 2016 and the MCCG, has also adopted its own Directors' Code of Ethics with the twelve (12) principals as follows:

1. To observe high standards of Corporate Governance
2. To devote sufficient time and effort
3. To avoid conflict of interest
4. To avoid misuse of position and information
5. To ensure integrity of records

CORPORATE GOVERNANCE OVERVIEW STATEMENT

6. To ensure confidentiality of communication and transactions
7. To ensure compliance with applicable laws
8. To demonstrate openness and timeliness of communication
9. To exercise duties and act honestly in the best interest of the Company
10. To uphold accountability
11. To maintain positive relationship with shareholders, employees, creditors and customers
12. Corporate Social Responsibility

The full version of the Directors' Code of Ethics is available at https://lbs.com.my/policies/directors-code-of-ethics/.

Employees are also expected at all times to maintain the highest standards of professionalism and integrity. The Company has set out various policies and procedures in relation to the Code of Ethics and the Code of Conduct for Directors and employees, such as:

Business Ethics for Directors and Employees

- Insider Trading
- Declaration of Interests
- Group IT Policies
- Standard Operating Procedures and Policies
- Corporate Disclosure Policy and Procedure
- Employee Code of Conduct
- Privacy and Personal Data Protection Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy and Procedures
- Gift, Entertainment and Hospitality Policy
- Donations and Sponsorships Policy
- Workplace Harassment Policy
- Environmental Policy Statement
- Human Rights Policy
- Occupational Safety and Health Policy

Board Committees

In order to enhance business and corporate efficiency and effectiveness, the Board delegates specific responsibilities to the respective committees of the Board namely the Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Risk Management Committee ("RMC") and Sustainability Committee ("SC").

BOARD COMMITTEE	ROLES AND RESPONSIBILITIES
AC	• providing oversight on the Group's financial reporting, disclosure, regulatory compliance and risk management • monitoring of internal control processes within the Group • reviewing the quarterly results and full year financial statements • reviewing the audit reports pertaining to the risk management and internal controls • reviewing related party transactions
NRC	• reviewing the procedures for appointment of Directors and senior management personnel of the Group • reviewing the remuneration package • annual review of the required mix of skills, knowledge and experience and other qualifications of the Board members • examine size of the Board with the optimum number of Directors on the Board to ensure its effectiveness
RMC	• identifying, evaluating, monitoring and reporting of risk areas • providing control measures, recommendations and management action plans to mitigate such risks through periodic meetings and updates to the AC in a timely basis. • ensure that the integrated risk management functions within the Group are effectively discharged
SC	• oversee the sustainability strategy and initiatives covering economic, environmental, social and governance (ESSG) aspect as well as embedding sustainability practices into the businesses of the LBGB Group.

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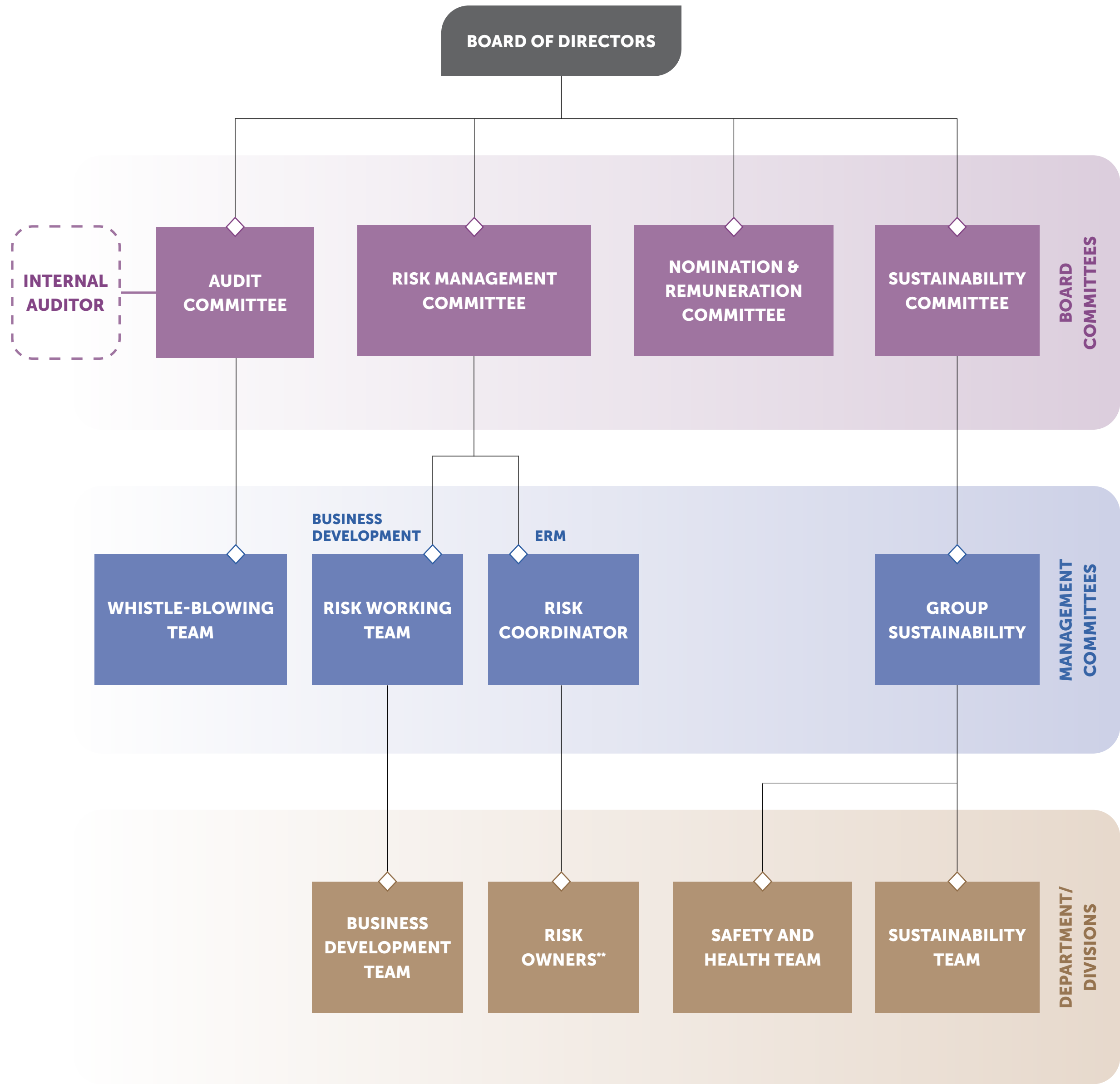
The Chairman of the respective Board Committee will brief the Board on the matters discussed at the respective Committees' meeting and minutes of these meetings will be circulated to the Board. All Board Committees operate within their clearly defined Terms of Reference and operating procedures whereupon the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision-making lies with the Board.

The following diagram shows a brief overview of the Board Committees of the Company:



** *Risk Owners comprised of HODs from Corporate/Project/Hotel/Retail Divisions*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Boardroom Diversity

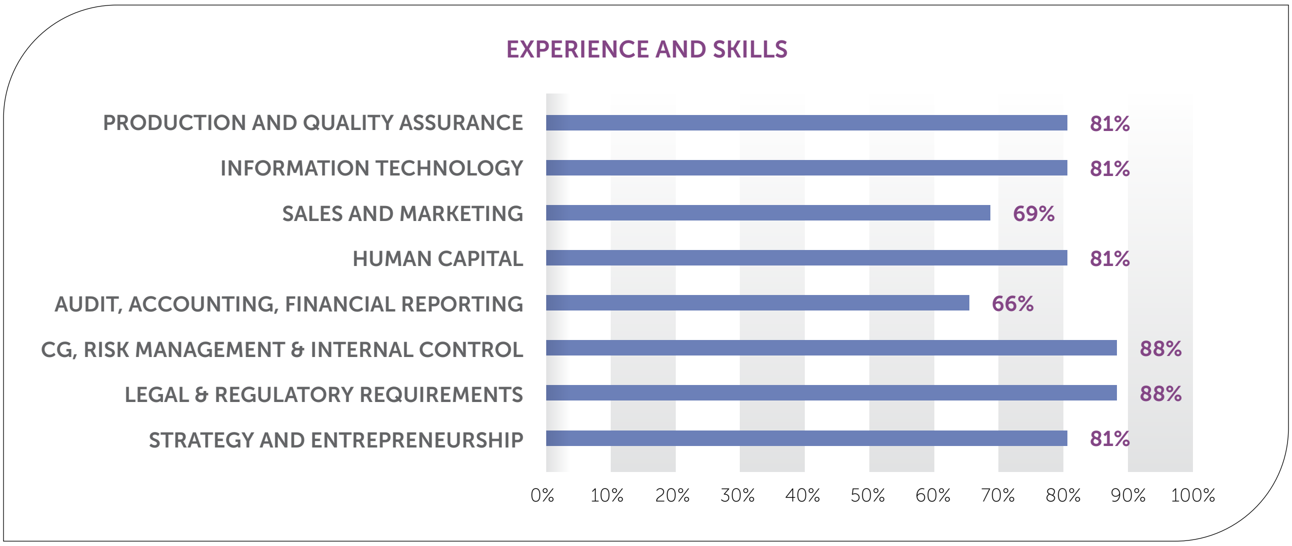
The Board has in place a Board Diversity Policy which sets out the approaches approved by the Company to achieve diversity of the Board. Under this policy, the Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity within the Board as an essential element in maintaining its competitive advantage and supporting its sustainable development. In determining an optimum composition of the Board, the Company will consider all aspects of diversity and will also take into account factors based on its own business model and specific needs from time to time. The Human Resources Department has adopted similar criteria in its selection and appointment process for employees. The Board Diversity Policy is available at: https://lbs.com.my/policies/diversity-policy/.

The appointment of Board members will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity within the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, ethnicity, age, skills, regional and industry experience and exposure, cultural and educational background, as well as professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Company does not set any specific target for female Directors and/or female Key Senior Management; however, it will actively work towards having more female members on the Board and the Key Senior Management team. The Board recognises that the evolution of Board balance and diversity is a long-term process and will weigh the various factors relevant to Board balance and diversity when vacancies arise.

The NRC is responsible for ensuring that diversity principles are adopted in the Board and Management appointments, Board performance evaluation and succession planning processes.

The Succession Planning Policy is available at https://lbs.com.my/policies/succession-planning-policy/

A Board Skills Matrix has been used as reference for the Directors' continuing development and succession planning. The Board consists of individuals with a diverse wealth of qualifications, experiences, skills and knowledge in areas ranging from civil engineering, accountancy, banking and finance, to business entrepreneurship, information technology and public service. The composition of the Board is deemed fairly balanced to complement and provide clear and effective leadership to the Company and bring informed and independent judgement to various aspects of the Company's strategies and performance.



A brief profile of each director is presented in the "Directors' Profile" section of this Integrated Annual Report 2022. Further detail of the board diversity is presented in the Sustainability Report 2022 of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION

The Board presently has eight (8) members comprising four (4) Independent Non-Executive Directors ("INED") and four (4) Non-Independent Executive Directors (including the GMD/CEO led by Tan Sri Dato' Sri Lim Hock San as the Executive Chairman, following the appointment of Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail as INEDs on 18 .April 2023, and the retirement of Datuk Dr. Haji Baharum bin Haji Mohamed and Datuk Lim Si Cheng as INEDs on 18 April 2023. The Independent Directors make up 50% of the Board, which in line with the recommended best practice of ensuring at least half of the members of the Board are Independent Directors.

The Board also recognises the pivotal role of the INED in corporate accountability as they provide unbiased and independent views, advice and judgement on issues and decisions and act in the best interests of the Group and its shareholders.

Board Appointment Process

The Board has delegated the responsibility for recommending a potential candidate to fill a Board vacancy to the NRC. The Company has established "Board Appointment Process" with regards to maintaining a formal and transparent process for Board appointments. The NRC assists the Board in ensuring the existence of the right mixture of skills, knowledge, experiences, qualities, gender, personal attributes, among other criteria that are relevant and contribute to the effective functioning of the Board. The NRC will perform the initial process of review and selection of candidates identified for appointment to the Board. The ultimate decision on the appointment of a new Director lies with the Board as a whole.

The NRC leverages on the Directors' network, shareholders' recommendation, and industry database to source for potential candidates for appointment of directors. The candidates available will be assessed to determine whether they possess the appropriate skills, competencies, experience, integrity, time, etc. to effectively discharge the role as director before the potential candidate is recommended to the Board for consideration and approval. Besides, the diversity of the Board's composition which include, inter alia, gender, ethnicity, age and cultural background will also be taken into consideration in the board appointment process.

In April 2023, the NRC through external sources, was seeking for suitable candidate to fill a vacancy. In line with the strategy of enhancing the governance structure, one of the important criteria in the selection of a candidate was the gender and integrity, in addition to other elements such as independency and board experience. With assistance from an independent consultancy firm in the sourcing process, and upon the recommendation of NRC, the new INEDs Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail were appointed to fill the vacancies. The appointment of Puan Nuraini Binti Ismail and Dato' Aminudin Zaki Bin Hashim have strengthened the composition of the Board and improved the Board's gender diversity.

Re-election of Directors

The NRC is responsible for making recommendations to the Board in relation to those Directors who are due for retirement by rotation and are eligible to stand for re-election. The recommendations made are to be in compliance with the MMLR of Bursa Malaysia and in accordance with the Company's Constitution where one third (1/3) of the Directors, including the Group Managing Director, shall retire from office at least once every three (3) years and be eligible for re-election at the Annual General Meeting ("AGM"). Directors who were appointed during the year are subject to retirement and re-election by the shareholders at the next AGM following their appointment.

The names of the four (4) Directors seeking for re-election at the forthcoming 23rd AGM are disclosed in the Notice of AGM. The Board, on the recommendation of the NRC, and with retiring Directors abstaining, have endorsed the re-election of the retiring Directors.

Tenure of Independent Directors

In accordance with the Board Charter, the tenure of service of Independent Directors is capped at the maximum limit of nine (9) years as recommended by the MCCG. Upon completion of a nine-year term, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director and subject to shareholders' approval. Two of the INEDs tenure have exceeded a cumulative term of nine (9) years in FY2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

On 18 April 2023, Datuk Dr. Haji Baharum bin Haji Mohamed and Datuk Lim Si Cheng who had served the Board for 9 years retired as INEDs and the Company appointed Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail to fill the vacancies.

Annual Assessment of Independence

Paragraph 1.01 of the MMLR of Bursa Malaysia provides that an INED is one who is independent of management and free from any business or other relationships that could interfere with the exercise of independent judgement or the ability to act in the best interests of a listed company.

The present composition of the Board is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Malaysia where four (4) out of its total eight (8) Board members are Independent Directors. The Board assess the independence of its INED annually for appropriate proper functioning of the Board and provides effective checks and balances in discharging its responsibilities. No individual or small group of individuals dominates the Board's decision-making. For the purposes of determination of independence, the INEDs who are not related to the substantial shareholders of the Company, provide declarations regarding their independence.

When reviewing the independence of the INEDs, the NRC has considered their other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct or indirect interest, their ability to avoid any apparent conflicts of interests especially by abstaining from deliberation on such transactions, and their ability to maintain objectivity in their conduct as Directors of the Company.

The Board is satisfied with the assessment of the INEDs especially with the level of independence demonstrated by all the INEDs of the Company and their ability to provide objective judgement to the Board, which mitigates conflicts of interest and undue influence from interested parties.

Annual Evaluation

The NRC was established with defined Terms of Reference to assist the members of the NRC in discharging their duties. The NRC comprises three (3) members who are exclusively INEDs pursuant to Paragraph 15.08A(1) of the MMLR of Bursa Malaysia. The Committee is chaired by Datuk Dr. Haji Baharum bin Haji Mohamed, a Senior Independent Non-Executive Director of the Company.

On 18 April 2023, Datuk Dr. Haji Baharum bin Haji Mohamed retired from the Board as well as NRC and Dato' Lim Han Boon was appointed as Senior Independent Non-Executive Director of the Company.

The NRC has assessed the effectiveness of the Board as a whole and the Board Committees through the completion of assessment questionnaires. The assessment parameters included structure, operations, tenure, roles and responsibilities and their effectiveness.

Through an Evaluation Panel comprising the Chairman of the Board, Chairman of the NRC and Chairman of the Audit Committee, the NRC has assessed each Director's contribution to the effectiveness of the Board. The assessment parameters include their attendance record, contributions to interaction, the quality of their input, and their understanding of their roles.

The evaluation process is a constructive mechanism for improving board effectiveness, maximising strengths and tackling weaknesses, leading to an immediate improvement of performance throughout the organisation. When assessing the performance of Board members, the assessment forms will be distributed to every member of the Evaluation Panel. Upon completion, the Company Secretaries gather the forms, summarise and present the results of the performance assessment to the NRC. The assessment for the Board as a whole and Board Committees will be carried out by the NRC at the meeting. A questionnaire which forms part of the meeting documents will be completed by the NRC after discussion. The findings of all evaluations will later be reported to the Board. The following evaluation forms are used:-

(a) Independent Director's Self-Assessment Checklist;
(b) Director's Performance Evaluation;
(c) Board and Board Committees Performance Evaluation;
(d) Audit Committee Evaluation Sheet;
(e) Audit Committee Member's Self & Peer Performance Evaluation Sheet; and
(f) Declaration of Fit and Proper Form

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NRC also reviews remuneration packages comprising salaries, bonuses, benefits-in-kind and allowances of Executive Directors annually to ensure that the remuneration packages are fair and reasonable. The determination of the remuneration of the INEDs is a matter for the Board as a whole.

A summary of the activities of the NRC in discharging its duties during the year under review is as follows:

(a) Reviewed the composition of the Board in respect of its structure, size and the required mixture of skills and experience;

(b) Reviewed the re-election of Directors retiring by rotation pursuant to the Company's Constitution at the Twenty-Second AGM of the Company;

(c) Assessed the independence of INEDs;

(d) Reviewed remuneration packages comprising salaries, incentives, bonuses, benefits-in-kind and allowances of Executive Directors. The determination of the remuneration of the INEDs is a matter for the Board as a whole;

(e) Undertook an annual assessment and evaluation of the Board, Board Committees and the individual Directors;

(f) Reviewed and assessed the proposed appointment of Executive Directors, Independent Non-Executive Directors and Alternate Directors; and

(g) Assisted the Board to identify training needs and facilitate for the training and development to ensure they are adequately updated with the latest developments in carrying out their responsibilities as a Director.

The NRC, upon its annual assessment, confirmed that the present size and composition of the Board has the requisite competencies and capacity to effectively oversee the overall businesses and handle all matters pertaining to the Group.

The Board is satisfied that the current function of NRC in respect of nomination and remuneration matters is in accordance with its Terms of Reference.

Time Commitment

None of the members of the Board has more than five (5) directorships in listed companies. This ensures that their commitment, resources and time are more focused which enables them to discharge their duties efficiently. All Directors are obliged to notify the Board before accepting any new directorships in other listed companies. The notification will include an indication of time that will be spent on the new appointments to ensure that the Directors have sufficient time to discharge their duties to the Board and the various committees on which they serve.

The Directors of the Company acknowledge the importance of allocating sufficient time to attend the affairs of the Company and at the same time ensure their full commitment towards the business needs of the Group.

Although there is no specified time commitment required of the Directors in terms of the number of days per year, the Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. Besides attending Board, Board Committees and general meetings, the time spent by Directors also include attending informal meetings and discussions with Management relating to the Group's affairs, corporate events like project launches, project site visits, in-house professional development and training and all other major corporate events, functions, briefing and dinners organised by the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board and Committees Meetings Attendance

	NO. OF MEETINGS HELD				
DIRECTORS	**BOARD**	**AC**	**NRC**	**RC**	**SC**
Tan Sri Dato' Sri Lim Hock San *(Executive Chairman)*	7/7	5/5	1/1	2/2	2/2
Datuk Wira Lim Hock Guan *(GMD/CEO)*	7/7	5/5	1/1	2/2	2/2
Maj (Hon) Dato' Sri Lim Hock Sing *(Executive Director)*	7/7	5/5	1/1	2/2	2/2
Dato' Lim Mooi Pang *(Executive Director)*	7/7	5/5	1/1	2/2	2/2
Datuk Dr. Haji Baharum bin Haji Mohamed* *(Senior Independent Non-Executive Director)*	7/7	5/5	1/1	2/2	2/2
Datuk Lim Si Cheng* *(Independent Non-Executive Director)*	7/7	5/5	1/1	2/2	2/2
Dato' Lim Han Boon *(Independent Non-Executive Director)*	7/7	5/5	1/1	2/2	2/2
Dato' Yong Lei Choo *(Independent Non-Executive Director)*	7/7	5/5	1/1	2/2	2/2
Total number of meetings held during FY 2022	**7**	**5**	**1**	**2**	**2**

* *retired from the Board w.e.f 18 April 2023*

A pre-scheduled annual calendar of the Board Meetings is circulated to all the Board members at the beginning of each year to facilitate the Directors to plan their schedules. Board Meetings are usually held a minimum of five (5) times in a year. Additional meetings will be convened as and when there are important and urgent decisions to be made, which require additional time to be spent between the scheduled meetings. Directors are also allowed to participate in Board Meetings via tele-conference.

Members of Key Senior Management were invited to attend Board meetings to furnish additional details or provide clarification on matters tabled for consideration by the Board.

Directors' Training and Induction

The Company has adopted the Directors' Induction Programme, a formal induction programme for newly appointed Directors. A formal letter detailing the general duties and obligations as a Director pursuant to the relevant legislations and regulations will be given to each new Director. The new Director will also be provided with books and reading materials relating to the roles and responsibilities of a Director, the Group's principal businesses, corporate governance practices, company policies and procedures as well as a Board meeting calendar for the year.

The Company Secretaries would lead this comprehensive induction programme which includes meeting with members of Key Senior Management and their teams to allow the new Director to be acquainted with the Management and to facilitate their future independent access to Management. The programme also includes a briefing by the Company Secretaries on the Board processes, internal controls and governance practices and by the Key Senior Management team on key areas of the Company's operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Directors are also provided with updates and/or briefings from time to time by professional advisers, consultants, Management and the Company Secretaries in areas such as corporate governance practices, relevant legislations and regulations and financial reporting standards. The Company Secretaries periodically inform the Directors of the availability of appropriate courses, conferences and seminars, and the Directors are encouraged to attend such training at the Company's expense.

Members of the Board attended training programmes, conferences, seminars, courses and/or workshops during the financial year. A summary of selected in-house education programmes and external training sessions attended by Directors are set out as follows:

NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
		Tan Sri Dato' Sri Lim Hock San
1	09.08.2022	Sustainability Management and Reporting
2	10.11.2022	Cybersecurity Approach & Risk Mitigation
		Datuk Wira Lim Hock Guan
1	09.08.2022	Sustainability Management and Reporting
2	16.08.2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
3	10.11.2022	Cybersecurity Approach & Risk Mitigation
		Maj (Hon) Dato' Sri Lim Hock Sing
1	09.08.2022	Sustainability Management and Reporting
2	20.09.2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
3	10.11.2022	Cybersecurity Approach & Risk Mitigation
		Dato' Lim Mooi Pang
1	24.02.2022	Women in Technology – Malaysia Chapter organised by Women in Tech
2	02.03.2022	TCFD-Certified Climate Disclosure Training Programme: Bursa Malaysia - TCFD 101 System
3	09.08.2022	Sustainability Management and Reporting
4	13.09.2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
5	20.10.2022	Integrated Reporting (IAR2022 Workshop)
6	10.11.2022	Cybersecurity Approach & Risk Mitigation
7	15.11.2022	Sustainability Reporting Workshop (SR Workshop)
		Datuk Dr. Haji Baharum Bin Haji Mohamed*
1	09.08.2022	Sustainability Management and Reporting

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NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
		Datuk Lim Si Cheng*
1	09.08.2022	Sustainability Management and Reporting
2	10.11.2022	Cybersecurity Approach & Risk Mitigation
3	06.12.2022	Audit Oversight Board- Conversation with Audit Committee
		Dato' Lim Han Boon
1	08.03.2022	Gender Equality Today For A Sustainable Tomorrow
2	28.03.2022	Forced Labour - Industry Responsibility on Preventing & Addressing Forced Labour Issues
3	28.03.2022	Your Right, Your Role, Speak up against Corruption
4	05.04.2022	The Science Based Targets initiative (SBTi) Symposium-Demystifying Urgent Actions
5	03.06.2022	Transitioning Towards Sustainability Agenda
6	15.06.2022	Climate and ESG Factors for Asia Pacific
7	30.06.2022	Thrive Your Business with Well Structured Equity
8	26.07.2022	Economic Dialogue between Minister of Finance & Chinese Industrial Leaders
9	09.08.2022	Sustainability Management & Reporting
10	16.08.2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
11	13 - 15.09.2022	World Congress on Innovation & Technology
12	10.11.2022	Cybersecurity Approach & Risk Mitigation
13	17.11.2022	Audit Oversight Board - Conversation with Audit Committee
14	07.12.2022	Rethink, Accelerate, Consolidate and Embolden
		Dato' Yong Lei Choo
1	12 - 14.04.2022	Mandatory Accreditation Programme (MAP)
2	09.08.2022	Sustainability Management and Reporting
3	16.08.2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
4	10.11.2022	Cybersecurity Approach & Risk Mitigation

* *retired from the Board w.e.f 18 April 2023*

With the assistance of the NRC and Company Secretaries, the Board will continue to evaluate and determine the training needs of its members to assist them in discharging of their duties as Directors of the Company effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. REMUNERATION

The Group is committed to achieve better performance and this depends crucially on the individual contributions made by the Board and employees at all levels. Accordingly, the Board believes that an effective remuneration policy plays an essential part in attracting, retaining and motivating talents of the Group.

In reviewing the remuneration for Executive Directors, the NRC, with the assistance of the Human Resources Department, consider whether a remuneration package has achieved the following main objectives:

- to ensure a remuneration package is competitive to attract and retain an Executive Director who is capable of meeting the Company's goals;
- to reward an Executive Director for achieving corporate and individual performance targets in a fair and equitable way;
- to ensure the remuneration package reflects the Executive Director's duties and responsibilities and contain incentives to motivate the Executive Director to deliver the Group's performance objectives without encouraging excessive risk-taking; and
- the remuneration policy must be sufficiently flexible to take account of changes in the Group's business environment and market practices.

The Remuneration Policy is available at https://lbs.com.my/policies/remuneration-policy/.

The remuneration packages for Executive Directors comprises a fixed component (in the form of basic salary, contractual bonus and benefits-in-kind) and variable components (which includes variable year-end bonus).

When reviewing and determining the structure of Directors' remuneration, the NRC takes into account the following criteria:

- Individual performance;
- Skills and knowledge;
- Involvement in the Group's affairs;
- Achievement of Group's internal targets; and
- Performance and profitability of the Group.

The NRC also considers other factors such as salary paid by comparable companies, time commitment, scope of duties and responsibilities. Relevant information on Directors' remuneration from independent consultants or survey data, when available, will also be used as reference by the NRC.

The Board as a whole recommends the proposed fees for the Non-Executive Directors with the individual Directors concerned abstaining from decisions in respect of their individual remuneration. The remuneration payable to Non-Executive Directors is subject to shareholders' approval at the AGM of the Company and Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration. The payment of Directors' fees, allowances, benefits in kind to the Directors are subject to the approval of shareholders at the Company's AGM in accordance with the provisions of the Companies Act, 2016.

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The remuneration of the Directors for FY2022 is set out below:

(a) The aggregate Directors' remuneration from the **Company** during FY2022 are as follows:

COMPANY ONLY	DIRECTOR'S FEE FOR FY2021 RM'000 [(a)]	DIRECTOR'S FEE FOR FY2022 RM'000 [(b)]	SALARY, BONUSES, ALLOWANCES AND OTHER EMOLUMENTS[(C)] RM'000	BENEFITS IN KIND RM'000
Non-Executive Directors				
Dato' Lim Han Boon	60	65	12	–
Dato' Yong Lei Choo	–	62.5	7	–
Datuk Dr. Haji Baharum Bin Haji Mohamed *(retired on 18 April 2023)*	60	65	12	–
Datuk Lim Si Cheng *(retired on 18 April 2023)*	60	65	14	–
Datuk Lim Tong Lee *(retired on 14 January 2022)*	60	2.5	153	–

(b) The aggregate Directors' remuneration on a **Group basis** during the FY2022 is as follows:

GROUP	DIRECTOR'S FEE FOR FY2021 RM'000 [(a)]	DIRECTOR'S FEE FOR FY2022 RM'000 [(b)]	SALARY, BONUSES, ALLOWANCES AND OTHER EMOLUMENTS [(c)] RM'000	BENEFITS IN KIND RM'000
Executive Directors				
Tan Sri Dato' Sri Lim Hock San	343	361	4,691	190
Datuk Wira Lim Hock Guan	252	262	3,959	230
Maj (Hon) Dato' Sri Lim Hock Sing	84	84	2,094	254
Dato' Lim Mooi Pang	–	–	1,988	107
Non-Executive Directors				
Dato' Lim Han Boon	60	65	12	–
Dato' Yong Lei Choo	–	62.5	7	–
Datuk Dr. Haji Baharum Bin Haji Mohamed *(retired on 18 April 2023)*	60	65	48	–
Datuk Lim Si Cheng *(retired on 18 April 2023)*	60	65	14	–
Datuk Lim Tong Lee *(retired on 14.01.2022)*	60	2.5	153	–

(a) Directors' Fees for FY2021 which was approved at the 22nd AGM held on 16 June 2022 has been duly paid.
(b) Directors' Fees for FY2022 which is payable subject to the shareholders' approved at the 23rd AGM to be held on 20 June 2023.
(c) Comprises meeting allowance, insurance, medical, allowances, share based payment, employer's provident fund, social welfare contributions and Employment Insurance System (EIS).

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In determining the remuneration packages of Key Senior Management, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain talents. At the beginning of each year, the corporate level of Key Performance Indicators is set by the Top Management. The annual performance will then be assessed at the end of the year.

The details of the remuneration of Key Senior Management is not disclosed on a named basis here as the Board is of the opinion that such disclosure would not be in the interests of the Company in view of its sensitivity. The remuneration of the top five (5) Key Senior Management for the FY2022 totalling RM4,247,638 was paid in the form of salary, bonus, allowances and other emoluments comprising insurance, medical, employer's provident fund, social welfare contributions and employment insurance system (EIS).

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee assists the Board to oversee the integrity of the Group's financial reporting processes. The processes are aimed at providing assurance that the financial statements and related notes were prepared and drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia for FY2022. The quarterly financial results and audited financial statements were reviewed and recommended by the Audit Committee and approved by the Board before being released to Bursa Malaysia.

For further details of the Audit Committee's composition and activities during FY2022, please refer to the "Audit Committee Report" section in this Integrated Annual Report 2022.

Assessment of Suitability and Independence of External Auditors

The Audit Committee carries out the assessment procedures annually to determine the suitability and independence of the External Auditors including quality and performance of their audit to ensure the External Auditors are free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity. The annual assessment also ensures that the provision of other non-audit services by the External Auditors is not in conflict with their audit function. As an industry practice, the External Auditors rotate their engaging partner in charge of audit of the Group's financial statements once every five (5) years to maintain their independence from the Group.

The External Auditors provide mainly audit-related services to the Company and also undertake certain non-audit services such as quarterly reviews, regulatory reviews and reporting, and other services as and when requested by the Group. The independence of External Auditors can be impaired by the provision of non-audit services to the Company.

During FY2022, the Audit Committee met independently at two scheduled meetings with the external auditors to discuss any matters they wished to raise or concerns they may have without the presence of the management. The Audit Committee also undertook review of the independence of Messrs. UHY and gave careful consideration to the Group's relationship with them. In determining the independence of UHY, the Audit Committee reviewed various aspects of their relationship with them including the nature and amount of the non-audit services paid to UHY for the FY2022 and the corresponding fees. The review showed that the non-audit fees did not impair or threaten the audit independence of UHY as such an amount is not significant as compared to the total audit fees paid to UHY. Based on the review, the Audit Committee is of the opinion that UHY is, and is perceived to be, independent for the purpose of the Group's statutory financial audit. UHY has declared its independence to the Group and its compliance pursuant to Paragraph 290.173 of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The Audit Committee has adopted the External Auditors Policy which outlines the guidelines and procedures for the Audit Committee to assess and monitor the External Auditors. The Audit Committee has also adopted the recommended policy under the MCCG which requires a former key audit partner to observe cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. The External Auditors Policy will be reviewed when necessary to ensure it remains relevant and appropriate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In reviewing the nomination of UHY for re-appointment for FY2022, the Audit Committee had considered the adequacy of the resources, experience and competence of UHY. Consideration was also given to the experience of the engagement partner and key team members in handling the audit of listed corporation with 65 subsidiaries companies under different business segments. The audit quality, technical competencies, manpower resource sufficiency, size and complexity of the audit of the Group were taken into consideration. The review also took into account the level of cooperation with Management while maintaining integrity and objectivity and to deliver their services professionally and within stipulated timelines.

The Audit Committee is satisfied with the competence and independence of the External Auditors and has recommended to the Board the re-appointment of the External Auditors, upon which the shareholders' approval will be sought at the forthcoming 23rd Annual General Meeting.

Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are responsible to ensure the Company's financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs, the results and cash flow of the Group and of the Company during the FY2022. The Board is also responsible for ensuring that the financial results are released to Bursa Malaysia within the stipulated time frame.

In preparing the financial statements, the Directors have ensured compliance with the applicable approved accounting standards and applied consistently and made judgements and estimates that are reasonable and prudent. The Directors have also confirmed that the financial statements have been prepared on a going concern basis.

The Audit Committee had its annual private session with the External Auditors in February and November 2022 to review the scope and adequacy of the audit planning memorandum, the audit findings and the annual financial statement in the absence of the Executive Directors and the Management representatives in respect of the audit for FY2022. The private session allows the Audit Committee members and the External Auditors to exchange independent views on matters which require the Audit Committee's attention.

The External Auditors attended all the Audit Committee's meetings held to review the quarterly results and the financial statements. They are also invited to attend the AGM of the Company and will be available to answer shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report.

The Directors are responsible for ensuring the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company at any time and which enables them to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable approved accounting standards. It is the Board's general responsibility for taking reasonable steps to safeguard the assets of the Group and to detect as well as prevent any fraud or other irregularities from occurring.

Relationship with External Auditors

The Board maintains a formal and transparent relationship with its External Auditors in seeking valuable professional advice and in ensuring compliance with the applicable accounting standards. The External Auditors regularly bring up relevant matters that need to be addressed during the Audit Committee Meetings and Board Meetings.

The Audit Committee has been accorded the power to communicate directly with both the External and Internal Auditors in providing independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control system.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Risk Management Framework

The Board is aware of the importance of establishing and maintaining a sound system of risk management framework and internal control in the Company and the Group to safeguard shareholders' interest and the Group's assets. The Board continuously reviews and examines the effectiveness and efficiency of the risk management framework and internal control system in areas such as financial, operational and compliance risk, and seeks alternative ways for improvement should any weakness be detected and identified.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Internal Control

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls and risk management to ensure shareholders' investments, customers' interests and the Group's assets are safeguarded.

During FY2022, the Company outsourced its entire ERM framework by engaging an external service provider, Deloitte Business Advisory Sdn. Bhd. ("Deloitte") to facilitate the risk control self-assessment exercise with various stakeholders. Risk analysis and evaluation were performed to update the existing risk registers. The Risk Management Committee revised the risk treatment plans along with the corresponding target risk level for any key residual risks highlighted.

The systems of internal controls are continuously reviewed to ensure that they are working via the on-going review through the internal audit process. In FY2022, the internal audit function conducted its works based on an annual Internal Audit Plan which was tabled before and approved by the Audit Committee.

All Internal Audit Reports are tabled and reviewed by the Audit Committee during the meetings of the Audit Committee and the Board. Follow-up reviews are subsequently performed to ascertain the extent of implementation of the recommended corrective actions for improvement.

Aside from performing regular operational and compliance audits, the Internal Auditors may conduct investigations and any ad-hoc reviews upon requisition from the Audit Committee or the Management.

The engagement of Internal Auditors is one of the many ways of reviewing and assessing the effectiveness of the Group's risk management framework and internal control system. Both the Board and Management will rectify the weaknesses detected by the Internal Auditors through either adopting the recommendations made by the Internal Auditors or via developing their own alternatives to eliminate such weaknesses.

More information on the risk management and internal control are disclosed within the sections titled "Statement on Risk Management and Internal Control" in this Integrated Annual Report 2022.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH SHAREHOLDERS

Corporate Disclosure Policies and Procedures

The Company recognises the importance of effective and timely disclosure of corporate and material information to ensure that shareholders, investors and the general public make informed assessments of the Company's business value and prospects.

The Company has an IR Policy which serves as a guide to ensure broad dissemination of material information in a comprehensive, accurate and timely manner to shareholders, stakeholders, investors and the public.

All announcements for release to Bursa Malaysia are subject to approval by the Executive Directors. All the Executive Directors, Head of IR Department, Company Secretaries and other officers who are privy to the information are obliged to maintain strict confidentiality of the information.

All information made available to Bursa Malaysia is immediately available to shareholders and the public at large on the Investor Relations section of the Company's website.

Leverage on Information Technology for Effective Dissemination of Information

The Board acknowledges the importance of clear, transparent and timely communications with shareholders and investors by way of the Group's businesses and corporate developments. The following means of communication are utilised as channels for sharing substantial information with shareholders, investors and members of the public:

a) IR Department

The Company's IR Department is actively involved in conducting regular briefings, dialogue sessions and presentations with institutional investors, fund managers, analysts as well as financial institutions. These activities aim to develop and maintain positive relations with all shareholders and investors through enabling active two-way communications, as well as promoting and demonstrating a high standard of

CORPORATE GOVERNANCE OVERVIEW STATEMENT

integrity and transparency through timely, accurate and full disclosure. At the same time, these activities serve to enhance shareholders and investors' understanding of the Group, thereby enabling them to make informed decisions when valuing the Company's shares.

The Company takes an active role in investor relations. The Head of the IR Department is responsible for managing the Group's investor relations programmes, including communications with the financial community, research analysts and relevant stakeholders. Meetings with local and foreign fund managers are conducted regularly on a group basis or via one-on-one physical or virtual meetings. In FY2022, the IR team attended 18 meetings with fund managers, analysts and institutional shareholders.

Currently, the Company is covered by five (5) research houses.

b) Integrated Annual Report

The Company's Integrated Report contains comprehensive and easy to understand details of the business, financial performance, strategic direction, sustainability matters and other activities of the Company. These contents are continually enhanced in order that shareholders and the investing public are provided with clear and accurate information and are suitably briefed on matters that are to be discussed to enable their effective participation during the AGM. An online version of the Integrated Annual Report 2022 is also available on the Company's website.

The Board recognises the importance of promoting good business conduct and maintaining a healthy corporate culture and sustainable growth to build greater confidence and trust with our stakeholders through continuous improvement of our disclosure practice. The Company has made further progress and produced its second Integrated Annual Report 2022.

c) Website

The Company's corporate website www.lbs.com.my also provides an avenue for accessing the latest corporate information and developments of the Company easily and immediately. It houses information on the Group's corporate profile, development products, financial results, press releases, corporate news and Company's e-newsletter – Journey With LBS, among other information. Alternatively, Bursa Malaysia' website www.bursamalaysia.com serves as another source of information to shareholders, investors and the public on the various announcements made by the Company from time to time in addition to the Integrated Annual Report 2022, Sustainability Report 2022, Circular to Shareholders and Annual Audited Accounts submitted to Bursa Malaysia.

d) e-Newsletter

The Group's e-newsletter *"Journey With LBS"* which is issued quarterly, serves as the Company's in-house corporate bilingual magazine and an internal communication tool. It is also used to engage with shareholders, investors, media, fund managers, analysts and suppliers as an additional mode of communication and provides insightful information on the Company. These insights include the latest corporate events and developments (locally and internationally), projects events, products launched and to be launched, operations, strategic direction, media coverage, corporate social responsibility activities as well as employee welfare activities and lifestyle highlights. The *Journey With LBS* publication is also available on the Company's website.

e) Online Social Networking

Recognising the benefits of broader communications especially social media, the Company has immersed itself on online social networking platforms such as Facebook, Twitter, WeChat, Instagram, TikTok and YouTube. These alternate channels of communication are enabling better engagement with shareholders, investors and other stakeholders given that all real time updates on the Company are accessible at any point of time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

f) ***Corporate Communication, Media & Digital Department***

The primary role of this department is to coordinate all the media interviews including one-on-one meetings with media either through print media or TV coverage at regular intervals to provide wider publicity and improve general understanding of the Group's businesses and operations.

It is also responsible for issuing press releases and uploading corporate news and events onto the Company's website and synchronising it across the social media channels to keep the public abreast of the latest information on the Group.

g) ***Senior Independent Non-Executive Director***

As there may be instances where investors and shareholders may prefer to express their concern to an Independent Director, the Board has appointed Dato' Lim Han Boon, as the Senior Independent Non-Executive Director of the Company to whom the concerns pertaining to the Group may be directed. He can be contacted via email at limhb@lbs.com.my.

h) ***Town Hall Meeting***

The Company believes that good employee engagement and teamwork are important hallmarks of success. To this end, the Company's Town Hall Meeting serves as an interactive platform for Management to interact with employees, reinforce the Company's corporate culture and values, as well as promote teamwork and collaboration.

During FY2022, the Company conducted two (2) Virtual Town Hall Meetings in January and July where the Executive Chairman and GMD/CEO shared the Company's objective and direction with staff. Our employees were also given the opportunity to speak, present or provide updates on the latest developments relating to their respective operational units.

II. CONDUCT OF GENERAL MEETINGS

The Company's AGM remains the principal forum for dialogue and interaction with the shareholders. The Board regards the AGM as an important channel of communication, as it serves as a forum for direct two-way interaction between the shareholders, Board and Management on the Company's strategic direction, operations, performance and major developments.

During FY2022, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting to conduct the poll on all resolutions via remote participation and voting facilities for the virtual 22nd AGM held on 16 June 2022. An Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

The MMLR of Bursa Malaysia requires companies to issue their Notice of AGM at least 21 days before the AGM. This gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf.

The Board is to ensure sufficient and relevant information is provided in relation to each agenda item in the Notice of AGM. Each item of special business included in the Notice of AGM is to be accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Extraordinary General Meetings ('EGMs") are held as and when shareholders' approval is required on specific matters. Relevant Advisors to the Board, lawyers and/or Reporting Accountants engaged in advising the Board on these specific matters are to be present at these EGMs to respond to the questions raised by shareholders.

Shareholders are given the opportunity to participate in the question and answer session during the AGM on the proposed resolutions and the Group's operations. The Chairman of the Meeting is to provide sufficient time for shareholders' questions on matters pertaining to the Company's performance to be tabled and is to respond to shareholders with regards to their concerns and questions raised. Members of the Board, Chairman of Board Committees and Key Senior Management, as well as the External Auditors of the Company are to be present to respond to questions raised at the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the MMLR of Bursa Malaysia, the following information is provided:

Options

No options were exercised during FY2022 pursuant to the Employees' Share Option Scheme ("ESOS") which was approved by the shareholders at the EGM held on 28 June 2012, which has been in force for a duration of ten (10) years with effect from 18 September 2012, had expired on 17 September 2022 pursuant to the ESOS Bye-Laws. Accordingly, the ESOS Committee, comprising three Board members had been dissolved on 17 September 2022. The main features of the ESOS are stated in the Report of Directors on pages 269-276 of this Integrated Annual Report 2022.

The Options applicable to Directors and Key Senior Management under the ESOS as at 17 September 2022 are as follows:

DIRECTORS AND KEY SENIOR MANAGEMENT	FROM 1 JANUARY 2022 UP TO 17 SEPTEMBER 2022	SINCE COMMENCEMENT ON 18 SEPTEMBER 2012 UP TO 17 SEPTEMBER 2022
Aggregate maximum allocation	80%	80%
Actual percentage granted	0%	61.22%

During FY2022, Options granted to and exercised by Non-Executive Directors are as follows:

NO.	NAME OF DIRECTOR	NUMBER OF OPTIONS AS AT 1.1.2022	NUMBER OF OPTIONS GRANTED IN 2022	NUMBER OF OPTIONS EXERCISED	NUMBER OF OPTIONS FORFEITED	NUMBER OF OPTIONS LAPSED	NUMBER OF OPTIONS AS AT 17.09.2022
1	Datuk Dr. Haji Baharum bin Haji Mohamed*	523,600	–	–	–	523,600	–
2	Datuk Lim Si Cheng*	523,600	–	–	–	523,600	–
3	Dato' Lim Han Boon	–	–	–	–	–	–
4	Dato' Yong Lei Choo	–	–	–	–	–	–

** retired from the Board w.e.f 18 April 2023*

Audit and Non-Audit Fees

(a) The amount of audit fee paid or payable to the External Auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for FY2022 amounted to RM811,685 and RM115,000 respectively.

(b) The amount of non-audit fee paid or payable to the External Auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for the FY2022 amounted to RM153,350 and RM26,000 respectively.

Material Contracts

There was no material contract (not being contracts entered into the ordinary course of business) entered into by the Company or its subsidiary companies involving the interests of the Directors, Chief Executive who is not a Director or major shareholders, either still subsisting at the end of the financial year end under review or which were entered into since the end of the previous financial year.

AUDIT COMMITTEE REPORT

The report of the Audit Committee ("Committee") of LBS for the financial year ended 31 December 2022 ("FY 2022") is presented as follows:

A. COMPOSITION AND ATTENDANCE

The Committee comprises three members, all of whom are Independent Non-Executive Directors. Dato' Lim Han Boon, the Chairman of the Committee is a Fellow Member of the Association of the Chartered Certified Accountants in the United Kingdom, Chartered Accountant of Malaysian Institute of Accountants and member of Chartered Management Institute, United Kingdom.

During FY2022, the Committee held five (5) meetings. The details of the membership and record of attendance of these meetings are as follows:

COMMITTEE MEMBER	ATTENDANCE	
Dato' Lim Han Boon *Chairman/Independent Non-Executive Director*	5	100%
Datuk Dr. Haji Baharum Bin Haji Mohamed* *Member/Senior Independent Non-Executive Director*	5	100%
Datuk Lim Si Cheng* *Member/Independent Non-Executive Director*	5	100%

** retired on 18 April 2023*

During FY2022, the Committee met independently at two scheduled meetings with the External Auditors to discuss any matters they wished to raise or concerns they may have without the presence of the management. The External Auditors, Internal Auditors, members of the management, including Executive Directors overseeing the financial and operational matters of the Group, and relevant heads of Department were invited to attend part, or all, of specific Committee meetings.

The Committee's effectiveness during FY2022 was assessed via evaluation questionnaires under the annual assessment and evaluation of Board and Board Committees by the Nomination and Remuneration Committee. This review served to assess the structure, membership, role and performance of the Committee. Results of the evaluation were tabled to the Board members for deliberation. The Board is satisfied that the Committee has effectively discharged their functions, duties, and responsibilities in accordance with its Terms of Reference.

For good governance, each member must attend at least 50% of the meetings held within the year, failing which the Nomination and Remuneration Committee will decide on the member's disqualification.

The full version of the Terms of Reference of the Audit Committee is published on the Company's website at www.lbs.com.my.

AUDIT COMMITTEE REPORT

B. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following summarises the activities of the Audit Committee in discharging its functions and duties during the year under review:

1. Financial Reporting:

- Reviewed the audited financial statements of the Group for the year ended 31 December 2021 with the External Auditors. These statements include the audit report, issues and reservations arising from the statutory audit prior to recommending the same to the Board for approval.

- Reviewed the unaudited quarter financial results and audited financial statements of the Company, inclusive of changes in accounting policies and practices, significant adjustments arising from the audit, major judgement areas, significant and unusual events, the going concern assumption and compliance with accounting standards, as well as other legal requirements for the Board of Directors' approval before releasing the final statement to the authorities.

- Reviewed the impact of any changes to the accounting standards and adoption of new accounting standards on the Group's Financial Statements.

2. External Audit:

- Reviewed the External Auditors' scope of work and annual audit plan of the Company and the Group for FY2022 inclusive of the audit approach, areas of audit emphasis, timeline for reporting and deliverables prior to the commencement of the annual audit.

- Reviewed the extent of assistance rendered by the Management as well as issues and reservations arising from audits with the External Auditors without the presence of the Management and the executive Board members.

- Assessed and evaluated the performance, expertise and adequacy of resources, independence and suitability of the External Auditors for re-appointment as Auditors of the Company and made recommendations to the Board with respect to their re-appointment and fees with reference to the approved External Auditor Policy. This Policy outlines guidelines and procedures for the Audit Committee to assess and monitor the external Auditor in order to preserve the integrity and credibility of the external audit process. The assessment was undertaken with written assurance from the External Auditors of their independence including policies and measures used to control their work quality.

3. Internal Audit:

- Please refer to Section D of this Report.

4. Risk Management:

- Reviewed the risk management framework and the risk profile of the Group.

AUDIT COMMITTEE REPORT

5. Related Party Transactions:

- Reviewed the procedures of the proposed renewal of general mandate for recurrent related party transactions ("RPTs") of a revenue or trading nature to ensure the adequacy and appropriateness of the compliance procedures established to monitor the RPTs.

6. Other Matters:

- Reviewed the verification work on the allocation of options to employees under the LBGB Employees' Share Option Scheme ("ESOS").

- Reviewed the Company's Audit Committee Report and Statement on Risk Management and Internal Control before recommending the same to the Board for inclusion in the Company's Integrated Annual Report 2021.

- Reported to the Board of Directors on significant issues and concerns discussed at the Committee's meetings together with the appropriate recommendations.

- No whistleblowing case was reported, so there was no investigation conducted.

C. STATEMENT BY COMMITTEE ON THE COMPANY'S ESOS

The Committee, with the assistance of verification work performed by the External Auditors, is satisfied that the administration of the ESOS carried out during the FY2022 is that the allocation of options pursuant to the Company's ESOS during FY2022 has complied with criteria set out in the ESOS Bye-laws. There was no allocation of ESOS options during the FY2022. The ESOS which has been in force for a duration of ten (10) years with effect from 18 September 2012, had expired on 17 September 2022 pursuant to the ESOS Bye-Laws. Accordingly, the ESOS Committee, comprising three Board members had been dissolved on 17 September 2022.

D. INTERNAL AUDIT FUNCTION

The Internal Auditors adopt a risk-based auditing approach approved by the Audit Committee whilst taking into account the standards set by recognised professional bodies, global best practices and industry standards.

Besides reviewing the findings of the internal control system of the Group, the Internal Auditors also provide recommendations to improve such internal controls. The Internal Audit Reports and relevant follow-up reports, together with the Management's responses, were circulated to all members of the Committee for review and discussion before the Committee Meeting on a quarterly basis. Upon the recommendation of the Committee, the Internal Audit Reports were tabled at the Board Meeting for approval. Overall, no significant control issues were identified although several process and control improvements were proposed, with follow-up audits scheduled where necessary. The total cost incurred for maintaining the internal audit function for FY2022 was RM120,000.00 (FY2021: RM100,000.00).

AUDIT COMMITTEE REPORT

Effective January 2023, the Committee shall meet with the Internal Auditors without the presence of other Board Members and Management of the Company at least twice in a financial year and whenever necessary.

The following is a summary of the Internal Audit works undertaken during FY2022:

i. Performed risk-based audit on the Group's business units or processes in accordance with the approved Internal Audit Plan, which covered the following areas:

   (i) Credit Administration;
   (ii) Treasury Management;
   (iii) Corporate Governance;
   (iv) Related Party Transactions;
   (v) Organisational Safety and Health; and
   (vi) Project Procurement and Tender Management;

ii. Issued internal audit reports to the Audit Committee with weaknesses and issues identified;

iii. Made recommendations for improvement on processes where weaknesses and/or non-compliances were identified;

iv. Undertook follow-up on matters or concerns raised by Audit Committee and reported on status periodically; and

v. Conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendation and provided updates on the status to the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

As stated in Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements, the Board of Directors ("Board") of listed companies are required to include a "statement about the state of internal control of the listed issuer as a company" in their annual report. In addition, the Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. Accordingly, the Board of LBS Bina Group Berhad ("LBS" or "the Company") is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities, which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility in establishing and maintaining a sound system of internal control covering financial and operational controls, compliance and risk management to safeguard shareholders' investments and the Group's assets.

To ensure the adequacy, effectiveness and integrity of the risk management framework and internal control system, there is an ongoing review process by the Board. The Board recognises that there are inherent limitations to any system of internal control as it is designed to manage the Company's risk within the acceptable risk appetite, rather than to eliminate risks that may hinder the achievement of the Company's business objectives. Internal controls can only provide reasonable assurance against material misstatement or loss. Therefore, the Board has established an appropriate control structure and process for identifying, evaluating, monitoring, managing and responding to significant risks faced by the Company in its achievement of the business goals and objectives. The control structure and process which have been instituted throughout the Company are reviewed and updated from time to time in response to the changes in the business environment.

RESPONSIBILITY OF THE AUDIT COMMITTEE

The Audit Committee is responsible to:

- Fulfill fiduciary responsibilities relating to corporate accounting, system of internal controls, management and financial reporting practices;
- Review and approve the risk dashboard and risk-based Internal Audit Plan;
- Review and monitor the internal audit function/ external service provider engaged to ensure timely completion of the Internal Audit Plan and effectiveness and implementation of any corrective action plans proposed.

RESPONSIBILITY OF THE MANAGEMENT

Management is accountable to the Board for risk management and internal control. Processes have been implemented to identify, evaluate, monitor and report risks as well as to design and implement relevant controls in response to the risks. For this, a Risk Management Committee (RMC) has been established to assist the Board on risk management to oversee the Management's activities in managing significant risk areas, ensure that the risk management framework is in place and functioning effectively. The members of the RMC comprise of two Independent Non-Executive Directors and two Executive Directors.

At the Management level, the RMC is supported by the Risk Working Team ("RWT") and Risk Coordinator to facilitate and manage risk management matters relating to the Company's risk management activities. The RWT is headed by an Executive Director and comprises heads of business units or support functions, who are risk owners themselves, as members.

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the RMC. The roles of the RMC include the following:

- Identifying and evaluating the risks faced by the respective departments, against the business objectives set out by the Company;
- Formulating relevant policies and procedures to manage these risks;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Designing, implementing and monitoring the effectiveness of the risk management framework and internal control system;
- Implementing the policies approved by the Board; and
- Reporting to the Board and Audit Committee of any changes to the risks and corrective actions taken.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

Risk Management Framework

- The Enterprise Risk Management ("ERM") at LBS provides the foundation and process to guide the Company on how risks are managed in the Company.
- The ERM is aligned with the framework and guidance issued by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") and ISO 31000:2018 – Risk Management Principles and Guidelines.
- The Company engages an external service provider, Deloitte Business Advisory Sdn Bhd (formerly known as Deloitte Risk Advisory Sdn Bhd) ("Deloitte"), to facilitate a risk assessment exercise with various stakeholders every 2 years. The last review cycle took place in the fourth quarter of 2021. A risk analysis and evaluation are performed by Deloitte to update the existing risk registers. On top of that, the ERM assessment reviews are performed internally every alternate year to identify, assess and manage the risks faced by the Group. The RMC establishes a set of risk treatment plans and responses to risks assisting the Company in making sound business decisions. The Audit Committee and Board have an oversight role to review and deliberate on the Company's top risks.
- ERM framework is based on three (3) key components - Risk Ambition and Vision, Risk Organisation, and Risk Management Cycle, where it is split further into 12 core building blocks of a successful Risk Management Function as follows:

  (i) Risk Governance Bodies – creating the structure and oversight for risk to be effectively managed;

  (ii) Risk Policies – setting the tone and level of risk management applied across LBS;

  (iii) Risk Culture – the values and behaviors that drive risk management in LBS;

  (iv) Risk Appetite – setting the level of risk LBS is willing to accept within tolerances;

  (v) Risk Resources – the people and time that is applied to risk management, centrally and across business units;

  (vi) Risk Procedures and Templates – providing guidance and clear direction for all areas of LBS to perform risk management;

  (vii) Risk Supporting Tools – manual and automated tools leveraged to provide a better risk management process;

  (viii) Risk Training – the support provided across the business to embed risk management;

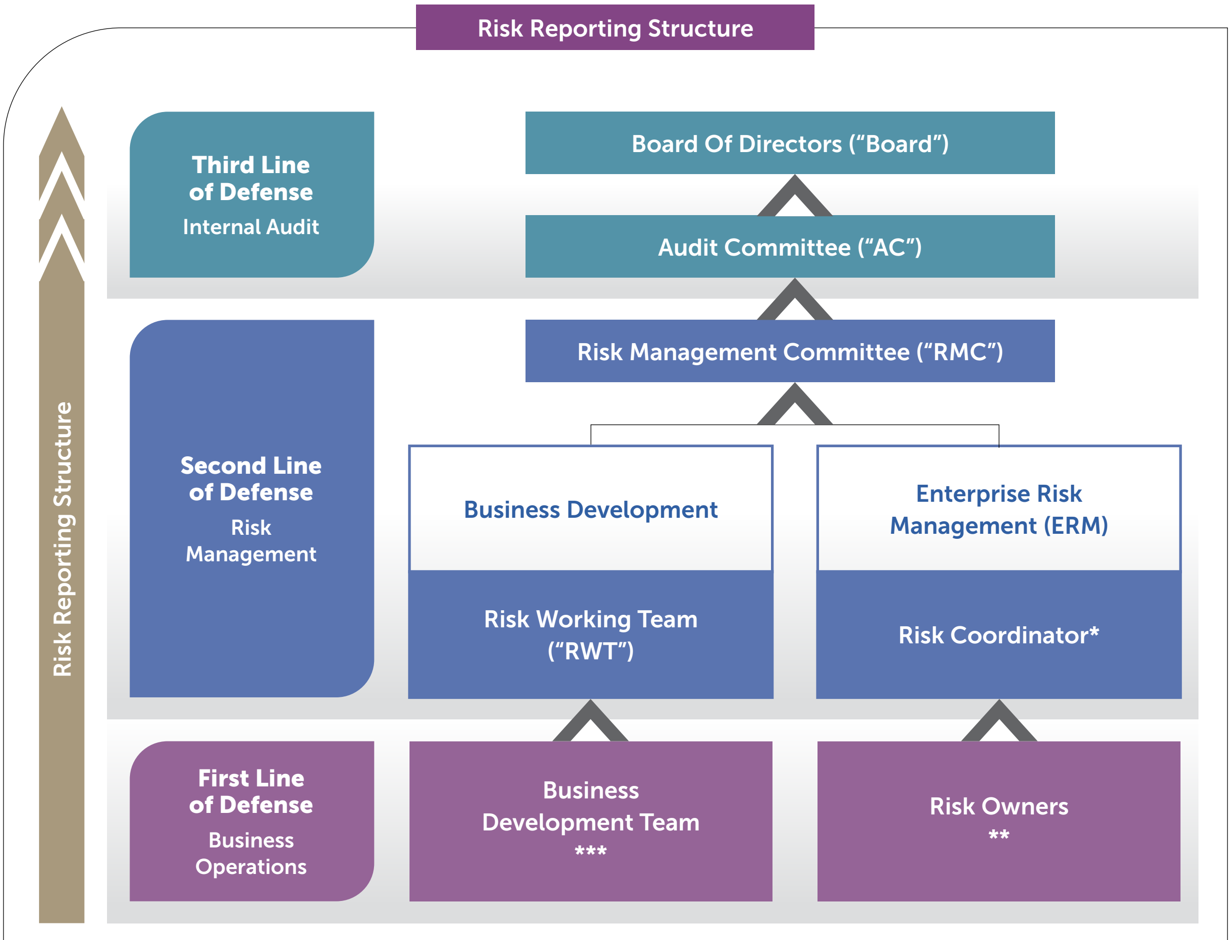
  (ix) Risk Identification – the process of identifying risks and opportunities to business operations, financial and reputation;

  (x) Risk Measurement and Response – evaluation of risk on a common scale with implementation of appropriate response;

  (xi) Risk Management – ongoing management and evaluation of risk mitigations, controls, and other responses to risk; and

  (xii) Risk Monitoring and Reporting – monitoring of key risk indicators to assess the likelihood of crystallisation and reporting of the current risk environment.
- The governance model adopted by LBS provides a formalised, transparent and effective governance structure that promotes the active involvement of the Board and Senior Management in the risk management process to ensure a uniform view of risks across the Group. The governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defense. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



* Risk Coordinator assists to compile the Risk Register from each Department and coordinates the ERM exercise conducted by a Third-Party Consultant.

** Risk Owners is comprised of Heads of Department from Corporate, Project, Hotel & Retail Division.

*** Business Development Team reviews new business opportunities and disposal of business/investment & to assist RWT on risk related matters.

- There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

Internal Audit

- The Internal Audit function is outsourced to Deloitte with staff strength from diverse backgrounds and qualifications. It is headed by the Executive Director who has vast experience in the areas of financial and operational audits, to provide independent assurance and consulting activities, which serve to assist the Company in achieving its objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The services are performed in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (the "IIA Standards").

- The engagement is free from any relationships or conflict of interest, which could impair the objectivity and independence.

- The areas reviewed by Deloitte during the financial year 2022 are as follows:

  i Credit Administration Management
  ii Treasury Management
  iii Corporate Governance
  iv Related Party Transaction
  v Organisational Safety and Health
  vi Project Procurement and Tender Management

- Deloitte has undertaken a planning process to develop a risk-based Internal Audit Plan based on a risk assessment and review of the risk profile. The Internal Audit focuses on selected key risk areas as appropriate to the objective and scope of the engagement. The internal audit activities are carried out in accordance with the Internal Audit Plan approved by the Audit Committee.

- Deloitte evaluated the adequacy and operating effectiveness of risk and internal control process and subsequently highlighted any findings in respect of any non-compliance with policies and procedures and areas of improvement. Root-cause analysis on audit observation was conducted in developing a recommendation to address the weaknesses noted.

- The resulting reports from the audits undertaken, including the overall internal controls assessment on the auditable areas, are presented to the Audit Committee at its regular meetings.

- Follow-up audits are performed to ensure the Management Action Plans for any observations identified are rectified in a timely manner.

- The Audit Committee meets to review, discuss and direct actions on matters pertaining to reports. The outcomes are then forwarded to the operational management for attention and necessary actions. The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are implemented within the required time frame.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

AAPG3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the LBS Group.

CONCLUSION

The Board has received reasonable assurance from the Group Managing Director/Chief Executive Officer and Executive Director, who are both responsible for the financial affairs of the Company, that the risk management framework and internal control system established are operating adequately and effectively, in all material respects, based on the risk management model adopted by the Company. There were no material control failures or adverse compliance events that would have directly resulted in any material loss to the Company for the financial year under review.

RECURRENT RELATED PARTY TRANSACTION

The details of Recurrent Related Party Transaction of the Company entered into during the financial year ended 31 December 2022 pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad were as follows:-

NO.	RELATED PARTY	NATURE OF RECURRENT TRANSACTION	VALUE OF TRANSACTION (RM)	NATURE OF RELATIONSHIP BETWEEN LBS GROUP AND THE RELATED PARTY
1	**Maj (Hon) Dato' Sri Lim Hock Sing**	Purchase of property	1,240,002	Maj (Hon) Dato' Sri Lim Hock Sing is the Executive Director of the Company.

06

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal Activities

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 52 to the financial statements.

Results

	Group RM	Company RM
Net profit for the financial year	137,514,515	30,730,498
Attributable to:		
Owners of the parent	128,538,935	30,730,498
Non-controlling interests	8,975,580	–
	137,514,515	30,730,498

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

Since the end of the last financial year, the Company paid:

	RM
Ordinary Shares	
In respect of the financial year ended 31 December 2021:	
Interim single-tier dividend of 0.85 sen per ordinary share on 1,559,457,757 ordinary shares, paid on 14 July 2022	13,255,375
Final single-tier dividend of 1.00 sen per ordinary share on 1,559,320,657 ordinary shares, paid on 15 September 2022	15,593,207
Redeemable Convertible Preference Shares ("RCPS")	
In respect of the financial year ended 31 December 2022:	
Preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS, paid on 30 November 2022	6,210,536
	35,059,118

DIRECTORS' REPORT

Dividends (Cont'd)

On 18 April 2023, the Board of Directors:

(i) Declared first interim single-tier dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 December 2022. The entitled shareholders of the Company will receive the dividend on 17 July 2023.

(ii) Proposed final single-tier dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 December 2022. The proposed dividend is subject to the approval of the shareholders at the forthcoming 23rd Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 18 April 2023. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2023.

Issue of Shares and Debentures

There were no issuance of shares and debentures during the financial year.

Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 16 June 2022, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 8,252,000 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.42 per share. The total consideration paid for the repurchase including transaction costs was RM3,468,565. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 December 2022, the total number of treasury shares held by the Company was 16,837,194 out of the total 1,569,245,151 issued ordinary shares. Further relevant details are disclosed in Note 25 to the financial statements.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

Employees' Share Option Scheme ("ESOS")

The Company has established an Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS shall be in force for a period of 10 years from 18 September 2012 to 17 September 2022. On 17 September 2022, all remaining unexercised 13,557,270 ESOS options standing in the Register of Option Holders have lapsed and therefore, became null, void and ceased to be exercisable with effect from 17 September 2022. The salient features and other terms of the ESOS and the movement of options over unissued shares of the Company granted under the ESOS during the financial year are disclosed in Note 41 to the financial statements.

DIRECTORS' REPORT

Employees' Share Option Scheme ("ESOS") (Cont'd)

Details of the options granted to Directors are disclosed in the section of Directors' Interests in this report.

Redeemable Convertible Preference Shares ("RCPS")

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2022, the total number of RCPS that remain unexercised were 94,099,035.

The salient terms of the RCPS are disclosed in Note 24 to the financial statements.

Details of RCPS issued to Directors are disclosed in the section of Directors' Interests in this report.

Directors

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Sri Lim Hock San, PSM, SSAP, DSSA, JP *	
Datuk Wira Lim Hock Guan, DCSM, DMSM, PJK, JP *	
Maj (Hon) Dato' Sri Lim Hock Sing, SSAP, DIMP, JP *	
Dato' Lim Mooi Pang, DIMP *	
Dato' Lim Han Boon, DIMP	
Dato' Yong Lei Choo, DIMP	(Appointed on 14.01.2022)
Dato' Aminudin Zaki Bin Hashim	(Appointed on 18.04.2023)
Nuraini Binti Ismail	(Appointed on 18.04.2023)
Dato' Sri Lim Hock Seong, SSAP, DMSM *	(Resigned on 14.01.2022)
Lim Kim Kiat *	(Resigned on 14.01.2022)
Datuk Lim Tong Lee, DPSM	(Retired on 14.01.2022)
Datuk Dr. Haji Baharum Bin Haji Mohamed, DMSM, AMN, PIS *	(Retired on 18.04.2023)
Datuk Lim Si Cheng, PJN, PIS	(Retired on 18.04.2023)

* *Director of the Company and its subsidiaries*

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS' REPORT

Directors' Interests in Shares

The interests and deemed interests in the shares, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2022	Acquired	Disposed	At 31.12.2022
LBS Bina Group Berhad				
Direct Interests				
Tan Sri Dato' Sri Lim Hock San	31,714,614	1,571,400	–	33,286,014
Datuk Wira Lim Hock Guan	28,130,444	–	–	28,130,444
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	–	–	571,650
Dato' Lim Mooi Pang	5,622,759	50,000	–	5,672,759
Datuk Dr. Haji Baharum Bin Haji Mohamed	269,654	–	–	269,654
Datuk Lim Si Cheng	269,654	–	–	269,654
Dato' Lim Han Boon	100,000	50,000	–	150,000
Indirect Interests				
Tan Sri Dato' Sri Lim Hock San [2]	564,844,019	682,066	–	565,526,085
Datuk Wira Lim Hock Guan [2]	563,400,010	–	–	563,400,010
Maj (Hon) Dato' Sri Lim Hock Sing [1]	615,280	–	–	615,280

	Number of options over ordinary shares ("ESOS")			
	At 1.1.2022	Granted	Forfeited/ Lapsed	At 31.12.2022
LBS Bina Group Berhad				
Direct Interests				
Datuk Dr. Haji Baharum Bin Haji Mohamed	523,600	–	523,600	–
Datuk Lim Si Cheng	523,600	–	523,600	–

DIRECTORS' REPORT

Directors' Interests in Shares (Cont'd)

The interests and deemed interests in the shares, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of RCPS			
	At 1.1.2022	Acquired	Converted/ Disposed	At 31.12.2022
LBS Bina Group Berhad				
Direct Interests				
Datuk Dr. Haji Baharum Bin Haji Mohamed	23,800	–	–	23,800
Datuk Lim Si Cheng	23,800	–	–	23,800
Indirect Interests				
Tan Sri Dato' Sri Lim Hock San [2]	158,000	–	–	158,000
Maj (Hon) Dato' Sri Lim Hock Sing [1]	38,800	–	–	38,800

Note:

1 *Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company.*

2 *Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company and Section 8 of the Companies Act 2016 by virtue of his direct interests in Gaterich Sdn. Bhd..*

By virtue of their interests in the shares of the Company, Tan Sri Dato' Sri Lim Hock San and Datuk Wira Lim Hock Guan are also deemed to have interests in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Notes 38 and 42 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 45(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from ESOS and RCPS.

DIRECTORS' REPORT

Indemnity and Insurance

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM70 million and RM114,633 respectively. No indemnity was given to or insurance effected for auditors of the Group and of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

  (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors (Cont'd):

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiaries

The details of the subsidiaries are disclosed in Note 52 to the financial statements.

Subsequent Events

The subsequent events are disclosed in Note 49 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are disclosed in Note 38 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 April 2023.

TAN SRI DATO' SRI LIM HOCK SAN

DATUK WIRA LIM HOCK GUAN

KUALA LUMPUR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 April 2023.

TAN SRI DATO' SRI LIM HOCK SAN

DATUK WIRA LIM HOCK GUAN

KUALA LUMPUR

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Dato' Lim Mooi Pang, being the Director primarily responsible for the financial management of LBS Bina Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 18 April 2023)

DATO' LIM MOOI PANG

Before me,

NO. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LBS BINA GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LBS Bina Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 157 to 311.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LBS BINA GROUP BERHAD

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
1. Land held for property development and property development costs and revenue recognition	
Property development revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. This requires the estimation of selling prices, sales rates and costs to complete, determined on a project by project basis. These factors drive the gross margin for each project and hence the profit recognised at the point of sale. There is a risk that the actual revenue and costs are different to those forecast across the whole projects resulting in material misstatement of land held for property development and property development costs and gross profit recognised. There is also a risk that costs are inappropriately recognised within land held for property development and property development costs or that the allocation of costs that relate to the whole projects, such as land and infrastructure costs, is inappropriate across development phases, resulting in a material misstatement of land held for property development and property development costs or gross profit of each project.	We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation of such controls. We checked the revenue recognised, on a sample basis, by agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion. We checked the stage of completion of property development projects, on a sample basis, to internal or external quantity surveyors' certifications. We corroborated, on a sample basis, the certified stage of completion with the level of completion based on actual costs incurred to-date over the estimated total property development costs. We agreed, on a sample basis, costs incurred to supporting documentation such as subcontractor claim certificates and invoices from vendors. We checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, contracts and variation orders with sub-contractors. We inspected the sales and purchase contracts for all significant new land acquisitions to understand the terms and identify any deferred or contingent payments therein.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LBS BINA GROUP BERHAD

Key Audit Matters (Cont'd)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. (Cont'd)

Key audit matters	How we addressed the key audit matters
2. Goodwill impairment review	
The Group has significant goodwill allocated to the property development cash-generating units ("CGUs"). Goodwill shall be tested for impairment annually in accordance to MFRS 136 *Impairment of Assets*. The estimation of recoverable amount is complex and significant judgement is required for estimates, specifically cash flows projections, discount rates and short-term growth rates. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, this is the key judgemental area that our audit was concentrated on.	We assessed the reasonableness of the cash flows forecasts and supporting evidence of the underlying assumptions, by checking to approved budgets and comparing expected growth rates to relevant market expectations. We performed sensitivity analysis on the key inputs to the impairment model, to understand the impact that reasonably possible changes to key assumptions would have on the overall carrying amount of the goodwill at the end of the reporting period. We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities.

We have determined that there were no key audit matters in the audit of the financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LBS BINA GROUP BERHAD

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LBS BINA GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 52 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

TAN GIM-HENG
Approved Number: 03595/09/2023 J
Chartered Accountant

KUALA LUMPUR
18 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	44,227,985	50,588,082
Right-of-use assets	5	349,549,773	372,536,680
Capital work-in-progress	6	24,900,012	20,820,195
Inventories	7	1,297,811,985	1,163,758,817
Investment properties	8	191,822,335	162,142,245
Investment in associates	10	2,497,377	2,557,529
Other investments	11	505,000	568,000
Intangible assets	12	–	–
Goodwill on consolidation	13	66,184,311	72,833,639
Trade receivables	14	3,067,743	2,764,706
Deferred tax assets	15	75,611,028	58,570,516
Total non-current assets		2,056,177,549	1,907,140,409
Current assets			
Inventories	7	541,127,705	981,795,256
Contract assets	16	638,370,896	608,943,061
Trade receivables	14	358,404,855	395,184,510
Other receivables	17	191,200,627	207,390,119
Amount due from associates	19	–	7,200
Other investments	11	–	2,003,129
Tax recoverable		14,715,986	7,649,031
Fixed deposits with licensed banks	20	24,754,911	22,302,268
Cash held under Housing Development Accounts	21	235,387,063	147,831,952
Cash and bank balances	22	104,968,603	112,618,530
		2,108,930,646	2,485,725,056
Assets held for sale	23	221,735	2,348,425
Total current assets		2,109,152,381	2,488,073,481
Total assets		4,165,329,930	4,395,213,890

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	2021 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	24	922,887,304	922,887,304
Treasury shares	25	(6,659,459)	(3,190,894)
Other reserves	26	(210,417,664)	(202,304,430)
Retained earnings		672,930,446	590,473,820
Equity attributable to owners of the parent		1,378,740,627	1,307,865,800
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	27	223,000,000	223,000,000
Non-controlling interests		153,084,525	176,549,992
Total equity		1,754,825,152	1,707,415,792
Non-current liabilities			
Trade payables	28	450,497,264	453,428,632
Other payables	29	53,592,711	55,557,549
Retirement benefit obligations	30	5,686,642	–
Lease liabilities	31	11,424,771	18,805,324
Bank borrowings	32	209,720,835	328,140,063
Sukuk Murabahah ("Sukuk")	33	50,818,000	61,670,000
Deferred tax liabilities	15	35,956,866	39,515,408
Total non-current liabilities		817,697,089	957,116,976
Current liabilities			
Contract liabilities	16	31,192,292	17,425,877
Trade payables	28	415,183,009	507,738,270
Other payables	29	479,543,853	515,635,644
Amount due to an associate	19	16,552	65,834
Lease liabilities	31	14,694,540	14,062,105
Bank borrowings	32	548,381,521	568,792,815
Sukuk Murabahah ("Sukuk")	33	4,452,000	13,952,000
Bank overdrafts	34	77,747,419	75,838,746
Tax payable		21,596,503	17,169,831
Total current liabilities		1,592,807,689	1,730,681,122
Total liabilities		2,410,504,778	2,687,798,098
Total equity and liabilities		4,165,329,930	4,395,213,890

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Company 2022 RM	2021 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,025	2,475
Investment in subsidiaries	9	752,291,623	752,194,275
Amount due from subsidiaries	18	52,948,296	–
Total non-current assets		805,241,944	752,196,750
Current assets			
Other receivables	17	764,948	1,534,729
Amount due from subsidiaries	18	597,462,576	621,982,530
Tax recoverable		270,607	116,226
Fixed deposits with licensed banks	20	1,041,793	988,305
Cash and bank balances	22	3,425,281	11,778,001
Total current assets		602,965,205	636,399,791
Total assets		1,408,207,149	1,388,596,541
EQUITY AND LIABILITIES			
Equity			
Share capital	24	922,887,304	922,887,304
Treasury shares	25	(6,659,459)	(3,190,894)
Other reserves	26	–	4,169,856
Retained earnings		59,302,398	74,654,209
Equity attributable to owners of the parent		975,530,243	998,520,475
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	27	223,000,000	223,000,000
Total equity		1,198,530,243	1,221,520,475
Non-current liability			
Bank borrowings	32	19,895,500	30,250,000
Total non-current liability		19,895,500	30,250,000
Current liabilities			
Other payables	29	663,508	2,309,485
Bank borrowings	32	185,278,455	132,185,583
Bank overdrafts	34	2,549,390	2,330,998
Tax payable		1,290,053	–
Total current liabilities		189,781,406	136,826,066
Total liabilities		209,676,906	167,076,066
Total equity and liabilities		1,408,207,149	1,388,596,541

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group	
	Note	2022 RM	2021 RM
Revenue	35	1,723,857,391	1,365,756,984
Cost of sales	36	(1,240,018,054)	(920,986,918)
Gross profit		483,839,337	444,770,066
Other income		19,082,655	13,883,083
Administrative and operating expenses		(230,703,809)	(220,462,350)
Changes on impairment of financial instruments and contract assets		4,147,893	(26,325)
Profit from operations		276,366,076	238,164,474
Finance costs	37	(59,521,315)	(61,490,180)
Share of profit of associates, net of tax		82,486	133,453
Profit before tax	38	216,927,247	176,807,747
Taxation	39	(79,412,732)	(61,886,195)
Net profit for the financial year		137,514,515	114,921,552
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Exchange translation differences for foreign operations		120,450	8,727,013
		120,450	8,727,013
Total comprehensive income for the financial year		137,634,965	123,648,565
Net profit for the financial year attributable to:			
Owners of the parent		128,538,935	95,618,980
Non-controlling interests		8,975,580	19,302,572
		137,514,515	114,921,552
Total comprehensive income for the financial year attributable to:			
Owners of the parent		130,098,149	105,695,866
Non-controlling interests		7,536,816	17,952,699
		137,634,965	123,648,565
Earnings per share attributable to owners of the parent (sen)			
Basic earnings per share	40(a)	6.87	5.16
Diluted earnings per share	40(b)	6.87	5.16

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Company	
	Note	2022 RM	2021 RM
Revenue	35	23,175,318	63,000,000
Other income		27,139,193	21,413,846
Administrative and operating expenses		(4,084,815)	(4,977,493)
Changes on impairment of financial instruments		–	4,758
Profit from operations		46,229,696	79,441,111
Finance costs	37	(12,314,863)	(6,716,049)
Profit before tax	38	33,914,833	72,725,062
Taxation	39	(3,184,335)	(196,281)
Net profit for the financial year, representing total comprehensive income for the financial year		30,730,498	72,528,781

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the parent								
		Non-distributable				Distributable				
Group										
At 1 January 2021										
- as previously reported		819,378,365	103,508,939	(160,877,032)	(2,685,339)	617,768,806	1,377,093,739	130,000,000	119,461,760	1,626,555,499
- effect on adoption of the Agenda Decision		–	–	(28,661)	–	(85,471,224)	(85,499,885)	–	(5,646,942)	(91,146,827)
At 1 January 2021, as restated		819,378,365	103,508,939	(160,905,693)	(2,685,339)	532,297,582	1,291,593,854	130,000,000	113,814,818	1,535,408,672
Net profit for the financial year		–	–	–	–	95,618,980	95,618,980	–	19,302,572	114,921,552
Foreign currency translation reserves		–	–	10,076,886	–	–	10,076,886	–	(1,349,873)	8,727,013
Total comprehensive income for the financial year		–	–	10,076,886	–	95,618,980	105,695,866	–	17,952,699	123,648,565
Transactions with owners:										
Capital contribution from non-controlling interests	9(h)(xviii)	–	–	–	–	–	–	–	300,000	300,000
Net changes of non-controlling interests	9(c)	–	–	–	–	–	–	–	30	30
Changes in equity interest in subsidiaries	9(d)	–	–	(51,991,735)	–	–	(51,991,735)	–	46,722,620	(5,269,115)
Strike off of subsidiaries	9(j)	–	–	767,957	–	–	767,957	–	(40,175)	727,782
Dividend paid	43	–	–	–	–	(22,644,051)	(22,644,051)	–	–	(22,644,051)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(2,200,000)	(2,200,000)
RCPS preferential dividend paid	43	–	–	–	–	(6,210,536)	(6,210,536)	–	–	(6,210,536)
Distribution to Perpetual Sukuk holders		–	–	–	–	(8,840,000)	(8,840,000)	–	–	(8,840,000)
Issuance of Perpetual Sukuk	27	–	–	–	–	–	–	93,000,000	–	93,000,000
Realisation of ESOS reserve	26(a)	–	–	(251,845)	–	251,845	–	–	–	–
Shares repurchased	25	–	–	–	(505,555)	–	(505,555)	–	–	(505,555)
		–	–	(51,475,623)	(505,555)	(37,442,742)	(89,423,920)	93,000,000	44,782,475	48,358,555
At 31 December 2021		819,378,365	103,508,939	(202,304,430)	(3,190,894)	590,473,820	1,307,865,800	223,000,000	176,549,992	1,707,415,792

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to owners of the parent								
		Non-distributable				Distributable				
	Note	Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Total equity RM
Group										
At 1 January 2022		819,378,365	103,508,939	(202,304,430)	(3,190,894)	590,473,820	1,307,865,800	223,000,000	176,549,992	1,707,415,792
Net profit for the financial year		–	–	–	–	128,538,935	128,538,935	–	8,975,580	137,514,515
Foreign currency translation reserves		–	–	1,559,214	–	–	1,559,214	–	(1,438,764)	120,450
Total comprehensive income for the financial year		–	–	1,559,214	–	128,538,935	130,098,149	–	7,536,816	137,634,965
Transactions with owners:										
Capital contribution from non-controlling interests	9(h)(iv)	–	–	–	–	–	–	–	150,000	150,000
Changes in equity interest in subsidiaries	9(d)	–	–	(5,567,539)	–	–	(5,567,539)	–	(23,432,461)	(29,000,000)
Strike off of subsidiaries	9(j)	–	–	64,947	–	–	64,947	–	(77,870)	(12,923)
Dividends paid	43	–	–	–	–	(28,848,582)	(28,848,582)	–	–	(28,848,582)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(7,641,952)	(7,641,952)
RCPS preferential dividend paid	43	–	–	–	–	(6,210,536)	(6,210,536)	–	–	(6,210,536)
Distribution to Perpetual Sukuk holders		–	–	–	–	(15,193,047)	(15,193,047)	–	–	(15,193,047)
Realisation of ESOS reserve	26(a)	–	–	(4,169,856)	–	4,169,856	–	–	–	–
Shares repurchased	25	–	–	–	(3,468,565)	–	(3,468,565)	–	–	(3,468,565)
		–	–	(9,672,448)	(3,468,565)	(46,082,309)	(59,223,322)	–	(31,002,283)	(90,225,605)
At 31 December 2022		819,378,365	103,508,939	(210,417,664)	(6,659,459)	672,930,446	1,378,740,627	223,000,000	153,084,525	1,754,825,152

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Non-distributable				Distributable			
		Share capital RM	RCPS RM	ESOS reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Total equity RM
Company									
At 1 January 2021		819,378,365	103,508,939	4,421,701	(2,685,339)	39,568,170	964,191,836	130,000,000	1,094,191,836
Net profit for the financial year, representing total comprehensive income for the financial year		–	–	–	–	72,528,781	72,528,781	–	72,528,781
Transactions with owners:									
Dividend paid	43	–	–	–	–	(22,644,051)	(22,644,051)	–	(22,644,051)
RCPS preferential dividend paid	43	–	–	–	–	(6,210,536)	(6,210,536)	–	(6,210,536)
Distribution to Perpetual Sukuk holders		–	–	–	–	(8,840,000)	(8,840,000)	–	(8,840,000)
Issuance of Perpetual Sukuk	27	–	–	–	–	–	–	93,000,000	93,000,000
Realisation of ESOS reserve	26(a)	–	–	(251,845)	–	251,845	–	–	–
Shares repurchased	25	–	–	–	(505,555)	–	(505,555)	–	(505,555)
		–	–	(251,845)	(505,555)	(37,442,742)	(38,200,142)	93,000,000	54,799,858
At 31 December 2021		819,378,365	103,508,939	4,169,856	(3,190,894)	74,654,209	998,520,475	223,000,000	1,221,520,475

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Non-distributable				Distributable			
	Note	Share capital RM	RCPS RM	ESOS reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Total equity RM
Company									
At 1 January 2022		819,378,365	103,508,939	4,169,856	(3,190,894)	74,654,209	998,520,475	223,000,000	1,221,520,475
Net profit for the financial year, representing total comprehensive income for the financial year		–	–	–	–	30,730,498	30,730,498	–	30,730,498
Transactions with owners:									
Dividend paid	43	–	–	–	–	(28,848,582)	(28,848,582)	–	(28,848,582)
RCPS preferential dividend paid	43	–	–	–	–	(6,210,536)	(6,210,536)	–	(6,210,536)
Distribution to Perpetual Sukuk holders		–	–	–	–	(15,193,047)	(15,193,047)	–	(15,193,047)
Realisation of ESOS reserve	26(a)	–	–	(4,169,856)	–	4,169,856	–	–	–
Shares repurchased	25	–	–	–	(3,468,565)	–	(3,468,565)	–	(3,468,565)
		–	–	(4,169,856)	(3,468,565)	(46,082,309)	(53,720,730)	–	(53,720,730)
At 31 December 2022		819,378,365	103,508,939	–	(6,659,459)	59,302,398	975,530,243	223,000,000	1,198,530,243

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group 2022 RM	Group 2021 RM
Operating activities		
Profit before tax	216,927,247	176,807,747
Adjustments for:		
Allowance for impairment losses on:		
- Goodwill arising on consolidation	6,693,781	25,121,364
- Investment in associates	–	14,197
- Investment properties	603,586	398,033
- Other investments	63,000	8,000
- Property, plant and equipment	–	5,601
- Right-of-use assets	–	749,185
- Trade and other receivables	1,021,738	3,064,095
Amortisation of intangible assets	–	347,177
Bad debts written off	676,202	1,644,970
Bad debts written off - Amount due from a subsidiary under strike off	–	100
Capital work-in-progress written off	1,618,185	–
Deposits written off	424,165	812,419
Depreciation of:		
- Investment properties	2,333,019	2,265,407
- Property, plant and equipment	13,140,247	12,493,767
- Right-of-use assets	25,173,159	24,905,697
Fair value adjustment on trade receivables	75,063	(28,075)
Finance costs	59,521,315	61,490,180
(Gain)/Loss on strike off:		
- Subsidiaries	(12,923)	727,762
- Associate	8,077	11,697
Inventories written down to net realisable value	–	5,188,800
Inventories written off	3,607	–
Land held for property development written down	17,500,000	–
Prepayments written off	214,190	192,410
Balance carried down	345,983,658	316,220,533

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group 2022 RM	Group 2021 RM
Operating activities (Cont'd)		
Balance brought down	345,983,658	316,220,533
Property, plant and equipment written off	314,364	177,616
Property development costs written off	296,833	12,744,321
Provision for retirement benefits	5,686,642	–
Provision for staff economic compensation	86,173	–
Waiver of debts of an associate	–	1,350
Waiver of interest income	1,981,605	630,166
Dividend income from financial assets measured at FVTPL	–	(5,416)
Fair value gain on revaluation of financial assets measured at fair value through profit or loss ("FVTPL")	(820)	(273)
(Gain)/Loss on disposal of:		
- Assets held for sale	(61,575)	(398,108)
- Associate	18,875	–
- Subsidiary	(599,738)	–
- Property, plant and equipment	14,279	(26,857)
- Right-of-use assets	(292,863)	(314,874)
Interest income	(4,147,128)	(3,040,613)
Provision for property development costs no longer required	(6,005,058)	(5,678,489)
Provision for staff economic compensation no longer required	–	(17,943)
Reversal of allowance for impairment loss of:		
- Investment in associate	(109,314)	(40)
- Trade and other receivables	(5,430,763)	(3,037,770)
Balance carried down	337,735,170	317,253,603

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group 2022 RM	Group 2021 RM
Operating activities (Cont'd)		
Balance brought down	337,735,170	317,253,603
Share of profit of associates, net of tax	(82,486)	(133,453)
Unrealised foreign exchange loss	(78,226)	4,958,744
Waiver of debts	–	(174,648)
Operating profit before working capital changes	337,574,458	321,904,246
Changes in working capital:		
Inventories	260,037,457	(28,352,962)
Contract assets	(29,427,835)	(63,402,003)
Contract liabilities	13,766,415	(13,671,806)
Trade receivables	38,163,649	(193,989,627)
Other receivables	63,970,483	3,496,758
Trade payables	(82,895,241)	114,129,717
Other payables	(27,714,195)	58,237,772
Amount due from/(to) associates	(42,082)	(3,402)
Foreign exchange reserve	(7,624,410)	(2,318,504)
	228,234,241	(125,874,057)
Cash generated from operations	565,808,699	196,030,189
Dividends received from:		
- Associate	180,000	150,000
- Financial assets measured at FVTPL	–	2,560
Interest received	4,147,127	3,040,613
Interest paid	(55,357,619)	(50,228,301)
Tax paid	(102,418,156)	(86,181,631)
Tax refunded	896,103	192,168
	(152,552,545)	(133,024,591)
Net cash from operating activities	413,256,154	63,005,598

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM
Investing activities			
Additional investment in:			
- Associate		(54,000)	–
- Subsidiaries		(29,000,000)	(23,500,000)
- Financial assets measured at FVTPL		–	(2,000,000)
Capital work-in-progress incurred		(4,141,551)	(12,270,181)
Net cash outflows from acquisition of a subsidiary	9(b)	(941,060)	–
Net cash inflows from disposal of a subsidiary	9(f)	747,571	–
Proceeds from disposal of:			
- Assets held for sale		210,000	750,000
- Associates		99,000	–
- Financial assets measured at FVTPL		2,003,949	–
- Property, plant and equipment		428,586	250,623
- Quoted shares of a subsidiary		–	19,530,000
- Right-of-use-assets		367,600	470,000
Proceeds from acquisition of equity interest by non-controlling interests		150,000	300,030
Purchase of:			
- Property, plant and equipment	4	(5,146,669)	(5,132,645)
- Right-of-use assets	5(c)	(2,027,412)	(2,487,958)
Deposits and consideration paid for the acquisition and joint venture of development lands		(43,419,144)	(67,652,906)
Repayment of prior years' investment in subsidiaries and associates		(1,973,300)	(1,207,087)
Net cash used in investing activities		(82,696,430)	(92,950,124)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM
Financing activities			
Increase in fixed deposits pledged		(2,279,608)	(1,705,221)
Decrease/(Increase) in cash and bank balances pledged		4,573,759	(527,152)
Drawdown of bank borrowings		645,877,358	624,388,963
Drawdown of Sukuk	33	5,000,000	–
Distribution to holders of Perpetual Sukuk		(15,193,047)	(8,840,000)
Dividend paid		(28,848,582)	(22,644,051)
RCPS preferential dividend paid		(6,210,536)	(6,210,536)
Dividends paid to non-controlling interests		(7,641,952)	(2,200,000)
Issuance of Perpetual Sukuk	27	–	93,000,000
Purchase of treasury shares		(3,468,565)	(505,555)
Repayment of:			
- Bank borrowings		(797,540,391)	(638,832,736)
- Sukuk		(25,352,000)	(9,202,000)
- Lease liabilities		(14,863,493)	(15,558,849)
Net cash (used in)/from financing activities		(245,947,057)	11,162,863
Net increase/(decrease) in cash and cash equivalents		84,612,667	(18,781,663)
Effects of exchange translation differences on cash and cash equivalents		(1,869,362)	1,176,118
Cash and cash equivalents at the beginning of the financial year		178,787,922	196,393,467
Cash and cash equivalents at the end of the financial year		261,531,227	178,787,922
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		24,754,911	22,302,268
Cash held under Housing Development Accounts		235,387,063	147,831,952
Cash and bank balances		104,968,603	112,618,530
Bank overdrafts		(77,747,419)	(75,838,746)
		287,363,158	206,914,004
Less: Fixed deposits pledged with licensed banks	20	(24,581,876)	(22,302,268)
Cash and bank balances pledged	22	(1,250,055)	(5,823,814)
		261,531,227	178,787,922

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Company	
	2022 RM	2021 RM
Operating activities		
Profit before tax	33,914,833	72,725,062
Adjustments for:		
Bad debts written off - Amount due from a subsidiary under strike off	–	2,140
Depreciation of property, plant and equipment	450	450
Loss on strike off of subsidiaries	–	447
Finance costs	12,314,863	6,716,049
Dividend income	(23,175,318)	(63,000,000)
Gain on disposal of equity interest in a subsidiary	–	(5,367,600)
Interest income	(26,554,399)	(12,467,716)
Reversal of allowance for impairment losses on:		
- Amount due from a subsidiary	–	(4,758)
- Investment in subsidiaries	–	(3,578,530)
Operating loss before working capital changes	(3,499,571)	(4,974,456)
Changes in working capital:		
Other receivables	769,781	1,490,831
Other payables	(536,933)	318,685
Amount due from/(to) subsidiaries	(2,682,128)	(142,403,433)
	(2,449,280)	(140,593,917)
Cash generated from operations	(5,948,851)	(145,568,373)
Dividends received	23,175,318	63,000,000
Interest received	17,690,699	10,571,141
Interest paid	(13,447,179)	(9,814,895)
Tax paid	(2,048,663)	(1,320,829)
	25,370,175	62,435,417
Net cash from/(used in) operating activities	19,421,324	(83,132,956)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Company 2022 RM	Company 2021 RM
Investing activities			
Additional investment in a subsidiary		(97,348)	(249,115)
Net movement of amount due from subsidiaries		(16,859,242)	55,233,930
Proceeds from disposal of equity interest of a subsidiary	9(d)	–	19,530,000
Net cash (used in)/from investing activities		(16,956,590)	74,514,815
Financing activities			
Dividends paid		(28,848,582)	(22,644,051)
RCPS preferential dividend paid		(6,210,536)	(6,210,536)
Increase in fixed deposits pledged		(53,488)	(4,813)
Decrease in cash and bank balances pledged		22,765	674,578
Drawdown of bank borrowings		85,000,000	76,455,000
Distribution to holders of Perpetual Sukuk		(15,193,047)	(8,840,000)
Issuance of Perpetual Sukuk	27	–	93,000,000
Net movement of amount due to subsidiaries		–	(14,901,827)
Purchase of treasury shares		(3,468,565)	(505,555)
Repayment of bank borrowings		(42,261,628)	(111,799,965)
Net cash (used in)/from financing activities		(11,013,081)	5,222,831
Net decrease in cash and cash equivalents		(8,548,347)	(3,395,310)
Cash and cash equivalents at the beginning of the financial year		9,113,615	12,508,925
Cash and cash equivalents at the end of the financial year		565,268	9,113,615
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		1,041,793	988,305
Cash and bank balances		3,425,281	11,778,001
Bank overdrafts		(2,549,390)	(2,330,998)
		1,917,684	10,435,308
Less: Fixed deposits pledged with licensed banks	20	(1,041,793)	(988,305)
Cash and bank balances pledged	22	(310,623)	(333,388)
		565,268	9,113,615

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Plaza Seri Setia, Level 1 - 4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 52. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

During the year, Gaterich Sdn. Bhd., a private limited liability holding company, incorporated and domiciled in Malaysia, ceased to be the holding company following a group reorganisation that took place in January 2022. The reorganisation results in a loss in control over the Company.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvement to MFRSs Standards 2018 - 2020
- Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to MFRS 16
- Amendments to MFRS 141

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Classification between investment properties and inventories

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long-term for capital appreciation or rental income but rather for sale. Accordingly, these properties are classified as inventories. The carrying amounts of these inventories as at 31 December 2022 are RM30,390,455 (2021: RM61,015,468).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

<u>Determining the lease term of contracts with renewal options - the Group as lessee</u>

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

(i) Useful lives of property, plant and equipment, right-of-use ("ROU") assets and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 8 respectively.

(ii) Impairment of investment in subsidiaries

The Company reviews its investment in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts at the reporting date for investment in subsidiaries are disclosed in Note 9.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of investment in associates

The Group reviews its investment in associates when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amount based on market performance, economic and political situation of the country in which the associates operate.

The carrying amounts at the reporting date for investment in associates are disclosed in Note 10.

(iv) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use are disclosed in Note 13.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details of carrying amount of recognised and unrecognised of deferred tax assets are disclosed in Note 15.

(vi) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. The details of inventories are disclosed in Note 7.

(vii) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(viii) Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 16.

(ix) Revenue from property development activities

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 16.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(x) Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 14.

(xi) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(xii) Employees' Share Option Scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The details of assumptions made in respect of the share-based payment scheme are disclosed in Note 41.

(xiii) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting internal and external experts to the Group, for matters in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(xiv) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2022, the Group has tax recoverable and tax payable of RM14,715,986 and RM21,596,503 (2021: RM7,649,031 and RM17,169,831) respectively. As at 31 December 2022, the Company has tax recoverable and tax payable of RM270,607 and RM1,290,053 (2021: RM116,226 and RMNil) respectively.

(xv) Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of salary increases and mortality rates. There is an assumption that there will be no resignation and no salary growth. All assumptions are reviewed at each financial year end.

In determining the appropriate discount rate, the valuation is based on market yield of Malaysian Government Securities, Private Debt Securities with AA ratings above with terms similar to the terms of the liabilities.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group losses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

3. Significant Accounting Policies (Cont'd)

(b) Investment in associates (Cont'd)

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(c) Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(d) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date and income and expenses, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associates that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment is in accordance with Note 3(o)(i) on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property and accounted for in accordance with Note 3(h) on investment properties.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

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3. Significant Accounting Policies (Cont'd)

(e) Property, plant and equipment (Cont'd)

(iv) Depreciation (Cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold land and buildings	50 years
Motor vehicles	5 years
Office equipment, furniture and fittings	2 to 10 years
Renovations	5 to 10 years
Plant, machinery and equipment	3 to 30 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(f) Capital work-in-progress

Capital work-in-progress consists of buildings under construction for intended use. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction until the property, plant and equipment are ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment or investment properties.

(g) Inventories

(i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

3. Significant Accounting Policies (Cont'd)

(g) Inventories (Cont'd)

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

(iv) Other inventories

Cost of raw materials, consumable foods, finished goods, spare parts and consumables comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Investment properties

Investment properties, including right-of-use assets held by lessee, are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	20 to 50 years
Leasehold land and buildings	Over the remaining period of the lease
Commercial properties	Over the remaining period of the lease

NOTES TO THE FINANCIAL STATEMENTS
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3. Significant Accounting Policies (Cont'd)

(h) Investment properties (Cont'd)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(i) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provision of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3. Significant Accounting Policies (Cont'd)

(i) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows:

(i) Financial assets measured at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following condition are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiaries, amount due from associates, deposits and bank and cash balances.

(ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group's financial assets at FVTOCI comprises other investments.

NOTES TO THE FINANCIAL STATEMENTS
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3. Significant Accounting Policies (Cont'd)

(i) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

(iii) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

The Group's and the Company's financial assets at FVTPL comprise other investments.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(o)(ii) on impairment on financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(j) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instrument.

3. Significant Accounting Policies (Cont'd)

(j) Financial liabilities (Cont'd)

Financial liabilities categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities measured at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to holding company, amount due to subsidiaries, amount due to an associate, bank overdrafts, lease liabilities, bank borrowings, Sukuk and RCPS.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(k) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(l) Offsetting of financial instruments

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

When the total cost incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is presented as contract assets. When progress billings exceed costs incurred on construction contracts plus recognised profits (less recognised losses), the balance is presented as contract liabilities.

(o) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets, assets arising from employee benefits and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

3. Significant Accounting Policies (Cont'd)

(o) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating unit that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(o) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-months ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables, contract assets and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(p) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(iii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3. Significant Accounting Policies (Cont'd)

(q) Perpetual Sukuk

Perpetual Sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Perpetual Sukuk holders' entitlement is accounted for as a distribution which is recognised in equity in the period in which it is declared or paid.

(r) Contingencies

Where it is not probable that an inflow or outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(s) Leases

As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	Over the remaining period of the lease
Motor vehicles	5 years, or over the lease term, if shorter
Office equipment, furniture and fittings	2 to 10 years, or over the lease term, if shorter
Renovations	5 to 10 years, or over the lease term, if shorter
Plant, machinery and equipment	5 to 10 years, or over the lease term, if shorter
Motor racing circuit	20 years, or over the lease term, if shorter

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

NOTES TO THE FINANCIAL STATEMENTS
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3. Significant Accounting Policies (Cont'd)

(s) Leases (Cont'd)

As lessee (Cont'd)

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(t) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

3. Significant Accounting Policies (Cont'd)

(t) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources:

(a) Revenue from property development

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

(c) Sale of goods

Revenue from sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(t) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(d) Rendering of services

Revenue from rendering of services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(e) Hotel room rental and food and beverages revenue

Room rental revenue is accrued on a daily basis on customer-occupied rooms. Revenue from the sale of food and beverage is recognised when the customer received and consumes and the Group has a present right to payment for the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

(f) Motor racing event income

Racing event income is recognised at a point in time when performance obligation is satisfied by the transfer of promised services to a customer which is the time the relevant event is held. Invoices are issued to customers before or upon completion of services and consideration is payable when invoiced. Consideration received before completion of services is classified as receipts in advance under other payables in the statements of financial position.

(g) Motor racing sponsorship income

Sponsorship income from advertising services is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

(h) Motor racing consultancy fee income

Consultancy fee income is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. Significant Accounting Policies (Cont'd)

(t) Revenue and other income (Cont'd)

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs to be recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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3. Significant Accounting Policies (Cont'd)

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(x) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(y) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. Significant Accounting Policies (Cont'd)

(y) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(z) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined Benefit Plan

The Group and the Company operate a wholly unfunded non-contributory defined benefit retirement scheme (the "Scheme") for its eligible employees. The Group's and the Company's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by an independent actuary.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(z) Employee benefits (Cont'd)

(iii) Defined Benefit Plan (Cont'd)

The amount recognised in the statements of financial position represents the present value of the defined benefit obligation at each financial year end less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Net interest is recognised in profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(iv) Share-based compensation

LBS Bina Group Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiaries' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share capital, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(aa) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

3. Significant Accounting Policies (Cont'd)

(bb) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties are not depreciated or amortised once classified as held for sale.

(cc) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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4. Property, Plant and Equipment

	Freehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
2022						
Group						
Cost						
At 1 January 2022	1,140,298	4,193,012	44,266,736	27,612,634	38,152,088	115,364,768
Additions	–	4,750	2,833,377	64,150	3,736,825	6,639,102
Transfer from capital work-in-progress	–	–	290,602	–	–	290,602
Transfer from right-of-use assets	–	2,559,006	–	–	1,417,312	3,976,318
Transfer from property development costs	–	–	–	119,713	–	119,713
Disposals	–	(885,541)	(64,087)	–	(1,030,721)	(1,980,349)
Written off	–	–	(594,175)	(224,167)	–	(818,342)
Reclassification	(410,540)	–	–	410,540	–	–
Exchange differences	–	–	(289,268)	–	–	(289,268)
At 31 December 2022	729,758	5,871,227	46,443,185	27,982,870	42,275,504	123,302,544
Accumulated depreciation						
At 1 January 2022	22,464	3,824,105	23,865,237	13,627,071	23,432,208	64,771,085
Charge for the financial year	14,595	385,480	4,409,339	3,743,382	4,587,451	13,140,247
Transfer from right-of-use assets	–	2,338,303	–	–	1,084,654	3,422,957
Disposals	–	(846,604)	(14,928)	–	(675,952)	(1,537,484)
Written off	–	–	(409,036)	(94,942)	–	(503,978)
Exchange differences	–	–	(223,869)	–	–	(223,869)
At 31 December 2022	37,059	5,701,284	27,626,743	17,275,511	28,428,361	79,068,958
Accumulated impairment losses						
At 1 January 2022/ 31 December 2022	5,601	–	–	–	–	5,601
Carrying amount						
At 31 December 2022	687,098	169,943	18,816,442	10,707,359	13,847,143	44,227,985

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

4. Property, Plant and Equipment (Cont'd)

	Freehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
2021						
Group						
Cost						
At 1 January 2021	–	3,904,514	34,473,557	24,713,708	29,871,775	92,963,554
Additions	205,270	7,531	2,368,467	1,757,603	2,235,459	6,574,330
Transfer from capital work-in-progress	935,028	–	7,757,927	1,862,011	–	10,554,966
Transfer from right-of-use assets	–	809,401	–	–	6,736,717	7,546,118
Disposals	–	(526,584)	(53,661)	–	(691,863)	(1,272,108)
Written off	–	(1,850)	(752,605)	(377,311)	–	(1,131,766)
Reclassification	–	–	–	(343,377)	–	(343,377)
Exchange differences	–	–	473,051	–	–	473,051
At 31 December 2021	1,140,298	4,193,012	44,266,736	27,612,634	38,152,088	115,364,768
Accumulated depreciation						
At 1 January 2021	–	3,040,154	20,157,866	10,128,430	15,496,511	48,822,961
Charge for the financial year	22,464	306,995	4,055,410	3,793,234	4,315,664	12,493,767
Transfer from right-of-use assets	–	891,063	–	–	4,210,914	5,101,977
Disposals	–	(412,258)	(45,203)	–	(590,881)	(1,048,342)
Written off	–	(1,849)	(679,932)	(272,369)	–	(954,150)
Reclassification	–	–	22,224	(22,224)	–	–
Exchange differences	–	–	354,872	–	–	354,872
At 31 December 2021	22,464	3,824,105	23,865,237	13,627,071	23,432,208	64,771,085
Accumulated impairment losses						
At 1 January 2021	–	–	–	–	–	–
Additions	5,601	–	–	–	–	5,601
At 31 December 2021	5,601	–	–	–	–	5,601
Carrying amount						
At 31 December 2021	1,112,233	368,907	20,401,499	13,985,563	14,719,880	50,588,082

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

4. Property, Plant and Equipment (Cont'd)

	Company 2022 RM	2021 RM
Office equipment		
Cost		
At 1 January/31 December	4,500	4,500
Accumulated depreciation		
At 1 January	2,025	1,575
Charge for the financial year	450	450
At 31 December	2,475	2,025
Carrying amount		
At 31 December	2,025	2,475

The aggregate additional cost for the property, plant and equipment of the Group during the financial year acquired under contra arrangement and cash payments are as follows:

	Group 2022 RM	2021 RM
Aggregate costs	6,639,102	6,574,330
Less: Offset with other payables	(1,492,433)	(1,441,685)
Cash payments	5,146,669	5,132,645

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

5. Right-of-use Assets

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2022							
Group							
Cost							
At 1 January 2022	492,095,436	12,637,052	2,194,802	24,226,719	63,376,574	85,944,375	680,474,958
Additions	230,673	4,180,400	31,458	1,042,540	4,294,708	–	9,779,779
Transfer from capital work-in-progress	–	–	–	92,219	–	–	92,219
Expiration of lease contracts	(90,377)	–	(269,999)	–	–	–	(360,376)
Transfer to investment properties	(1,788,315)	–	–	–	–	–	(1,788,315)
Transfer to property, plant and equipment	–	(2,559,006)	–	–	(1,417,312)	–	(3,976,318)
Disposals	–	(839,607)	–	–	–	–	(839,607)
Exchange differences	(11,099,454)	–	–	(426,931)	–	(3,039,494)	(14,565,879)
At 31 December 2022	479,347,963	13,418,839	1,956,261	24,934,547	66,253,970	82,904,881	668,816,461
Accumulated depreciation							
At 1 January 2022	184,656,662	8,523,210	1,099,148	14,058,857	12,790,577	84,583,916	305,712,370
Charge for the financial year	14,091,765	2,163,160	432,841	2,566,184	5,653,106	266,103	25,173,159
Reclassification	103,059	–	(103,059)	–	–	–	–
Expiration of lease contracts	(72,566)	–	(269,999)	–	–	–	(342,565)
Transfer to investment properties	(109,281)	–	–	–	–	–	(109,281)
Transfer to property, plant and equipment	–	(2,338,303)	–	–	(1,084,654)	–	(3,422,957)
Disposals	–	(764,870)	–	–	–	–	(764,870)
Exchange differences	(5,831,634)	–	–	(372,866)	–	(3,000,576)	(9,205,076)
At 31 December 2022	192,838,005	7,583,197	1,158,931	16,252,175	17,359,029	81,849,443	317,040,780
Accumulated impairment losses							
At 1 January 2022/ 31 December 2022	2,225,908	–	–	–	–	–	2,225,908
Carrying amount							
At 31 December 2022	284,284,050	5,835,642	797,330	8,682,372	48,894,941	1,055,438	349,549,773

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

5. Right-of-use Assets (Cont'd)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2021							
Group							
Cost							
At 1 January 2021, as previously reported	403,072,147	13,375,656	2,154,439	20,779,117	62,377,869	80,988,900	582,748,128
Effect on adoption of the Agenda Decision	(42,863)	–	–	–	–	–	(42,863)
At 1 January 2021, as restated	403,029,284	13,375,656	2,154,439	20,779,117	62,377,869	80,988,900	582,705,265
Additions	739,532	1,386,810	142,540	507,155	7,735,422	–	10,511,459
Transfer from capital work-in-progress	70,557,660	–	–	2,320,969	–	–	72,878,629
Expiration of lease contracts	(58,572)	–	(102,177)	–	–	–	(160,749)
Transfer to property, plant and equipment	–	(809,401)	–	–	(6,736,717)	–	(7,546,118)
Disposals	–	(1,316,013)	–	–	–	–	(1,316,013)
Written off	(282,117)	–	–	–	–	–	(282,117)
Exchange differences	18,109,649	–	–	619,478	–	4,955,475	23,684,602
At 31 December 2021	492,095,436	12,637,052	2,194,802	24,226,719	63,376,574	85,944,375	680,474,958
Accumulated depreciation							
At 1 January 2021, as previously reported	162,390,355	8,230,116	665,070	11,097,206	11,458,561	79,455,914	273,297,222
Effect on adoption of the Agenda Decision	(1,748)	–	–	–	–	–	(1,748)
At 1 January 2021, as restated	162,388,607	8,230,116	665,070	11,097,206	11,458,561	79,455,914	273,295,474
Charge for the financial year	13,749,372	2,345,044	536,255	2,470,885	5,542,930	261,211	24,905,697
Expiration of lease contracts	(58,572)	–	(102,177)	–	–	–	(160,749)
Transfer to property, plant and equipment	–	(891,063)	–	–	(4,210,914)	–	(5,101,977)
Disposals	–	(1,160,887)	–	–	–	–	(1,160,887)
Written off	(282,117)	–	–	–	–	–	(282,117)
Exchange differences	8,859,372	–	–	490,766	–	4,866,791	14,216,929
At 31 December 2021	184,656,662	8,523,210	1,099,148	14,058,857	12,790,577	84,583,916	305,712,370

5. Right-of-use Assets (Cont'd)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2021							
Group							
Accumulated impairment losses							
At 1 January 2021	1,476,723	–	–	–	–	–	1,476,723
Additions	749,185	–	–	–	–	–	749,185
At 31 December 2021	2,225,908	–	–	–	–	–	2,225,908
Carrying amount							
At 31 December 2021	305,212,866	4,113,842	1,095,654	10,167,862	50,585,997	1,360,459	372,536,680

(a) Included in the right-of-use assets of the Group are leasehold land and buildings with carrying amount of RM113,980,784 (2021: RM131,857,025) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 32(a) and 34(a).

(b) The net carrying amount of right-of-use assets of the Group acquired under lease arrangement are as follows:

	Group 2022 RM	Group 2021 RM
Motor vehicles	5,835,646	4,113,842
Office equipment	519,231	778,846
Plant and machinery	48,894,943	50,585,997
	55,249,820	55,478,685

Leased assets of the Group are pledged as securities for the related financing facilities.

(c) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under lease financing, term loan financing, offset with other payables and cash payments are as follows:

	Group 2022 RM	Group 2021 RM
Aggregate costs	9,779,779	10,511,459
Less: Lease financing	(8,130,967)	(10,481,285)
Less: Term loan financing	–	(274,112)
Less: Offset with other payables	378,600	2,731,896
Cash payments	2,027,412	2,487,958

NOTES TO THE FINANCIAL STATEMENTS
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5. Right-of-use Assets (Cont'd)

(d) The remaining lease period of the leasehold land and buildings range from 21 to 95 (2021: 22 to 96) years.

(e) Leasehold land with carrying amount of RM140,080,009 (2021: RM152,130,713) situated in mainland China is held under medium term lease.

Management has performed an impairment assessment on the carrying amount of the leasehold land by reference to a report prepared by an independent certified valuer on such leasehold land, and concluded that the leasehold hand has not impaired.

6. Capital Work-In-Progress

	Group	
	2022 RM	2021 RM
At 1 January, as previously reported	20,820,195	123,133,270
Effect on adoption of the Agenda Decision	–	(300,166)
At 1 January, as restated	20,820,195	122,833,104
Additions	4,141,551	12,270,181
Transfer to property, plant and equipment (Note 4)	(290,602)	(10,554,966)
Transfer to right-of-use assets (Note 5)	(92,219)	(72,878,629)
Transfer from/(to) land held for property development and property development costs [Note 7(a)]	1,352,686	(11,993,889)
Transfer to investment properties (Note 8)	–	(19,273,807)
Written off	(1,618,185)	–
Exchange differences	586,586	418,201
At 31 December	24,900,012	20,820,195

Included in capital work-in-progress of the Group is an amount of RM11,098,951 (2021:RM8,256,870) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 32(b).

7. Inventories

		Group	
	Note	2022 RM	2021 RM
Non-current			
Land held for property development and property development costs	(a)	1,297,811,985	1,163,758,817
Current			
Land held for property development and property development costs	(a)	418,424,462	745,458,363
Completed properties	(b)	119,992,722	232,205,268
Other inventories	(c)	2,710,521	4,131,625
		541,127,705	981,795,256

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31 DECEMBER 2022

7. Inventories (Cont'd)

(a) Land held for property development and property development costs

	Group 2022 RM	2021 RM
Non-current		
Freehold land, at cost		
At 1 January	92,670,620	92,670,620
Transfer to current portion	(3,991,708)	–
At 31 December	88,678,912	92,670,620
Long-term leasehold land, at cost		
At 1 January, as previously reported	421,170,296	437,501,571
Effect on adoption of the Agenda Decision	–	(26,534,415)
At 1 January, as restated	421,170,296	410,967,156
(Reversals)/Additions	(7,829)	4,405,023
Transfer from current portion	19,688,010	13,155,667
Transfer from capital work-in-progress	–	142,450
Transfer to property development costs	(461,200)	(7,500,000)
Written down	(17,500,000)	–
At 31 December	422,889,277	421,170,296
Property development costs		
At 1 January, as previously reported	649,917,901	766,583,829
Effect on adoption of the Agenda Decision	–	(61,174,616)
At 1 January, as restated	649,917,901	705,409,213
Additions	85,123,116	126,743,002
Transfer to current portion	(5,044,372)	(180,337,126)
Transfer from leasehold land	461,200	7,500,000
Transfer from other receivables	56,082,784	–
Written off	(296,833)	(9,397,188)
At 31 December	786,243,796	649,917,901
Total non-current land held for property development and property development costs	1,297,811,985	1,163,758,817

NOTES TO THE FINANCIAL STATEMENTS
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7. Inventories (Cont'd)

(a) Land held for property development and property development costs (Cont'd)

	Group 2022 RM	2021 RM
Current		
Freehold land, at cost		
At 1 January	20,764,815	20,764,815
Transfer from non-current portion	3,991,708	–
Portion related to completed projects	(19,293,842)	–
At 31 December	5,462,681	20,764,815
Long-term leasehold land, at cost		
At 1 January, as previously reported	237,444,279	320,755,017
Effect on adoption of the Agenda Decision	–	(28,012,780)
At 1 January, as restated	237,444,279	292,742,237
Additions	10,771,741	12,717,952
Transfer to non-current portion	(19,688,010)	(13,155,667)
Portion related to completed projects	(6,180,569)	(53,341,399)
Transfer to completed properties	(497,614)	(1,518,844)
At 31 December	221,849,827	237,444,279
Property development costs		
At 1 January, as previously reported	1,669,869,525	1,402,286,100
Effect on adoption of the Agenda Decision	–	(54,942,170)
At 1 January, as restated	1,669,869,525	1,347,343,930
Additions	928,364,218	841,287,623
Transfer from non-current portion	5,044,372	180,337,126
Portion related to completed projects	(805,666,563)	(649,674,005)
Transfer (to)/from capital work-in-progress	(1,352,686)	11,851,439
Transfer to completed properties	(36,559,381)	(57,929,455)
Transfer to property, plant and equipment	(119,713)	–
Written off	–	(3,347,133)
At 31 December	1,759,579,772	1,669,869,525

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7. Inventories (Cont'd)

(a) Land held for property development and property development costs (Cont'd)

	Group 2022 RM	Group 2021 RM
Current		
Property development costs (Cont'd)		
Less: Costs recognised in profit or loss		
At 1 January, as previously reported	1,182,620,256	1,051,559,454
Effect on adoption of the Agenda Decision	–	(38,209,303)
At 1 January, as restated	1,182,620,256	1,013,350,151
Recognised during the financial year	1,216,988,536	872,285,509
	2,399,608,792	1,885,635,660
Less: Portion related to completed projects	(831,140,974)	(703,015,404)
At 31 December	1,568,467,818	1,182,620,256
Total current land held for property development and property development costs	418,424,462	745,458,363

(i) Certain land held for property development and property development costs are pledged as securities for banking facilities and Sukuk granted to the Group as disclosed in Notes 32(c), 33(a) and 34(b) respectively.

(ii) Included under property development costs incurred during the financial year are borrowing costs of RM1,658,970. (2021: RM1,806,632) as disclosed in Note 37.

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7. Inventories (Cont'd)

(b) Completed properties

	Group 2022 RM	Group 2021 RM
At cost:		
Completed properties	111,132,901	196,804,279
At net realisable value:		
Completed properties	8,859,821	35,400,989
	119,992,722	232,205,268

	Group 2022 RM	Group 2021 RM
At 1 January, as previously reported	232,205,268	267,798,766
Effect on adoption of the Agenda Decision	–	(5,859,168)
At 1 January, as restated	232,205,268	261,939,598
Transfer from land held for property development and property development costs	37,056,995	59,448,299
Purchase of completed property	–	1,661,940
Transfer to investment properties	(28,959,396)	–
Written down	–	(5,188,800)
Recognised during the financial year	(120,310,145)	(85,655,769)
At 31 December	119,992,722	232,205,268

The completed properties with carrying amount of RM49,997,811 (2021: RM105,464,770) have been pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiaries as disclosed in Notes 32(d) and 34(f).

7. Inventories (Cont'd)

(c) Other inventories

	Group 2022 RM	2021 RM
At cost:		
Raw materials	1,736,236	3,097,502
Consumable foods	218,299	184,066
Finished goods	–	624
Spare parts and consumables	755,986	849,433
	2,710,521	4,131,625

	Group 2022 RM	2021 RM
Recognised in profit or loss:		
Cost of sales	20,623,804	14,948,884
Written off	3,607	–

8. Investment Properties

	Group 2022 RM	2021 RM
Cost		
At 1 January	177,908,885	161,889,173
Transfer from inventories (Note 7)	28,959,396	–
Transfer from right-of-use assets (Note 5)	1,788,315	–
Transfer from capital work-in-progress (Note 6)	–	19,273,807
Transfer from/(to) assets held for sale (Note 23)	1,862,200	(3,254,095)
At 31 December	210,518,796	177,908,885
Accumulated depreciation		
At 1 January	15,290,333	13,139,190
Charge for the financial year	2,333,019	2,265,407
Transfer from right-of-use assets (Note 5)	109,281	–
Transfer to assets held for sale (Note 23)	(54,265)	(114,264)
At 31 December	17,678,368	15,290,333

NOTES TO THE FINANCIAL STATEMENTS
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8. Investment Properties (Cont'd)

	Group 2022 RM	2021 RM
Accumulated impairment losses		
At 1 January	476,307	869,680
Impairment losses for the financial year	603,586	398,033
Transfer to assets held for sale (Note 23)	(61,800)	(791,406)
At 31 December	1,018,093	476,307
Carrying amount		
At 31 December	191,822,335	162,142,245
Included in the above are:		
At cost		
Leasehold land and buildings	47,771,262	48,264,019
Commercial properties	162,747,534	129,644,866
	210,518,796	177,908,885
Fair value		
At 31 December	243,370,193	190,927,800

(a) Investment properties pledged as securities

Investment properties with carrying amount of RM155,246,063 (2021: RM150,671,737) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 32(e) and 34(c) respectively.

(b) Investment properties under leases

Certain investment properties with carrying amount of RM1,679,034 (2021: RMNil) have been transferred from/(to) ROU assets, as the properties' usage has been changed from investment properties to owner-occupied properties or vice versa.

Certain investment properties are leasehold properties with remaining lease period range from 67 to 95 (2021: 68 to 96) years.

Investment properties comprise a number of leasehold and freehold land and buildings and commercial properties that are leased to third parties. Each of the leases contains a cancellable period ranging from one to three years.

(c) Fair value basis of investment properties

Fair value of investment properties is arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered external valuers having appropriate recognised professional qualification and experiences in the locations and category of properties being valued. The fair value are within Level 2 of the fair value hierarchy.

There were no transfers between levels during the current and previous financial year.

8. Investment Properties (Cont'd)

(d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group 2022 RM	2021 RM
Rental income	8,576,272	6,170,937
Direct operating expenses:		
- Income generating investment properties	6,457,163	4,786,400
- Non-income generating investment properties	145,557	159,371

9. Investment in Subsidiaries

(a) Investment in subsidiaries

	Company 2022 RM	2021 RM
In Malaysia		
Quoted shares, at cost	234,084,597	234,084,597
Unquoted shares, at cost	518,292,690	518,195,342
	752,377,287	752,279,939
Less: Accumulated impairment losses	(89,392)	(89,392)
	752,287,895	752,190,547
Outside Malaysia		
Unquoted shares, at cost	3,728	3,728
	752,291,623	752,194,275

The Group's subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group except as disclosed in Note 9(e).

Certain listed securities have been pledged as securities to partially secure the banking facilities as disclosed in Notes 32(g) and 34(e) respectively.

Details of the subsidiaries are disclosed in Note 52.

The movements in the allowance for impairment losses of investment in subsidiaries are as follows:

	Company 2022 RM	2021 RM
At 1 January	89,392	3,667,922
Reversal of impairment losses during the financial year	–	(3,578,530)
At 31 December	89,392	89,392

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31 DECEMBER 2022

9. Investment in Subsidiaries (Cont'd)

(a) Investment in subsidiaries (Cont'd)

The recoverable amount of the Company's investment in subsidiaries was estimated based on value in use method. Reversal of impairment losses amounting to RMNil (2021: RM3,578,530) was recognised during the financial year.

(b) Acquisition of a subsidiary

31 December 2022

On 25 July 2022, MGB Land Sdn. Bhd. ("MGBLSB"), a wholly-owned subsidiary of MGB Berhad ("MGB"), an indirect 58.65% subsidiary of the Company, acquired 1,000,000 ordinary shares, representing 100% equity interest in Retro Court Sdn. Bhd. ("RCSB") for a total cash consideration of RM973,000 only. Consequently, RCSB became a wholly-owned subsidiary of MGBLSB.

The effect of the acquisition on the financial results of the Group in respect of the financial year is as follows:

	Group 2022 RM
Administrative and operating expenses, representing total comprehensive loss for the financial year	(4)
Net loss for the financial year attributable to owners of the parent	(4)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary have contributed loss of RM4 to the Group for the financial year. If the business combination had taken place at the beginning of the financial year, the Group's loss for the financial year would have been increased by RM43,927.

The following summaries the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

	Group 2022 RM
Fair value of identifiable assets acquired and liabilities assumed	
Trade and other receivables	3,000,320
Cash and bank balances	31,940
Trade and other payables	(2,103,713)
Total identifiable assets and liabilities	928,547

9. Investment in Subsidiaries (Cont'd)

(b) Acquisition of a subsidiary (Cont'd)

The following summaries the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date: (Cont'd)

Net cash outflows arising from the acquisition is as follows:

	Group 2022 RM
Purchase consideration satisfied by cash	973,000
Less: Cash and bank balances acquired	(31,940)
Net cash outflows from the acquisition of a subsidiary	941,060

Goodwill was recognised as a result of the acquisition as follows:

	Group 2022 RM
Fair value of consideration transferred	973,000
Fair value of identifiable assets acquired and liabilities assumed	(928,547)
Goodwill on consolidation	44,453

The goodwill recognised arising from the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiary into the Group's property development business.

(c) Incorporation of subsidiaries

31 December 2022

(i) On 14 March 2022, MGBLSB incorporated Idaman Rawang Sdn. Bhd. ("IRSB") with an initial paid-up share capital of RM1 comprising of 1 ordinary share. MGBLSB subscribed 1 ordinary share in IRSB for a total cash consideration of RM1 only. Consequently, IRSB became a wholly-owned subsidiary of MGBLSB.

(ii) On 22 March 2022, Casa Inspirasi Sdn. Bhd. ("CISB"), a 69% owned subsidiary of LBS Bina Holdings Sdn. Bhd. ("LBS Bina"), a wholly-owned subsidiary of the Company incorporated Seri Aliran Sdn. Bhd. ("SASB") with an initial paid-up share capital of RM100 comprising of 100 ordinary shares. CISB subscribed 100 ordinary shares in SASB for a total cash consideration of RM100 only. Consequently, SASB became a wholly-owned subsidiary of CISB.

(iii) On 7 November 2022, MGB Construction Sdn. Bhd. ("MGBC"), a wholly-owned subsidiary of MGB, incorporated MGB International for Industry ("MII"), a Limited Liability Company in Kingdom of Saudi Arabia, with an initial paid-up share capital of SAR125,000 comprising of 12,500 ordinary shares of SAR10 per ordinary share. MGBC subscribed 12,500 ordinary shares in MII for a total cash consideration of SAR125,000 (approximately RM145,905) only. Consequently, MII became a wholly-owned subsidiary of MGBC.

31 December 2021

On 6 December 2021, MGB incorporated MGB Water Solution Sdn. Bhd. ("MGBWS") with an initial paid-up share capital of RM100 comprising of 100 ordinary shares. MGB subscribed 70 ordinary shares in MGBWS for a total cash consideration of RM70 only. Consequently, MGBWS became a 70% owned subsidiary of MGB.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

9. Investment in Subsidiaries (Cont'd)

(d) Changes in equity interest in subsidiaries

31 December 2022

Changes in equity interest in Kemudi Ehsan Sdn. Bhd. ("KESB")

During the financial year, LBS Bina's equity interest in KESB has increased from 82% to 100% as a result of the followings:

(i) On 14 February 2022, acquisition of 600,000 ordinary shares, representing 6% equity interest in KESB for a total cash consideration of RM9,000,000 only.

(ii) On 2 November 2022, acquisition of 900,000 ordinary shares, representing 9% equity interest in KESB for a total cash consideration of RM15,000,000 only.

(iii) On 14 November 2022, acquisition of 150,000 ordinary shares, representing 1.5% equity interest in KESB for a total cash consideration of RM2,500,000 only.

(iv) On 16 December 2022, acquisition of 150,000 ordinary shares, representing 1.5% equity interest in KESB for a total cash consideration of RM2,500,000 only.

31 December 2021

(i) On 30 September 2021, LBS Bina acquired 770,000 ordinary shares, representing 12.83% equity interest in Seloka Sinaran Sdn. Bhd. ("SSSB") for a total cash consideration of RM15,550,000 only. Consequently, SSSB became a wholly-owned subsidiary of LBS Bina.

(ii) On 30 December 2021, LBS Bina acquired 100,000 ordinary shares, representing 20% equity interest in Pembangunan Primer Sdn. Bhd. ("PPSB") for a total cash consideration of RM9,000,000 only. Consequently, PPSB became a wholly-owned subsidiary of LBS Bina.

(iii) Changes in equity interest in MGB

During the financial year, the Company's equity interest in MGB has decreased from 59.85% to 58.65% as a result of the followings:

(1) Acquisition of 312,200 ordinary shares in MGB for a total cash consideration of RM249,115 only.
(2) Disposal of 21,000,000 ordinary shares in MGB for a total cash consideration of RM19,530,000 only.
(3) Conversion of 67,500,000 Irredeemable Convertible Preference Share ("ICPS") into 67,500,000 new ordinary shares with no cash consideration.

The effect of changes in the equity interest that is attributable to the owners of the parent is as follows:

	Group	
	2022 RM	2021 RM
Carrying amount of non-controlling interests acquired	23,432,461	(46,722,620)
Net consideration paid to non-controlling interests	(29,000,000)	(5,269,115)
Increase in parent's equity	(5,567,539)	(51,991,735)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

9. Investment in Subsidiaries (Cont'd)

(e) Material partly-owned subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2022 %	2021 %	2022 RM	2021 RM	2022 RM	2021 RM
MGB Group *	41.35	41.35	6,242,357	11,465,959	209,791,086	205,787,231
Zhuhai International Circuit Limited ("ZIC")	40.00	40.00	(2,964,204)	(2,133,600)	(44,470,290)	(39,373,840)
Kemudi Ehsan Sdn. Bhd. ("KESB") **	–	18.00	4,351,065	2,442,864	–	19,080,911
Koleksi Sigma Sdn. Bhd. ("KSSB")	75.00	75.00	4,981,218	#	2,108,244	#
					167,429,040	185,494,302
Individually immaterial subsidiaries with non-controlling interests					(14,344,515)	(8,944,310)
Total non-controlling interests					153,084,525	176,549,992

* *MGB Group represents MGB and its subsidiaries*
** *Became wholly-owned subsidiary during the financial year*
\# *Immaterial subsidiary with non-controlling interests*

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised Statements of Financial Position

	MGB Group RM	ZIC RM	KESB RM	KSSB RM
2022				
Non-current assets	398,643,626	147,951,442	123,672,223	68,258,556
Current assets	518,113,362	48,779,051	325,590,958	181,648,629
Non-current liabilities	(56,441,776)	(185,717,899)	(131,120,651)	–
Current liabilities	(353,629,178)	(112,721,332)	(170,524,950)	(241,474,211)
Net assets/(liabilities)	506,686,034	(101,708,738)	147,617,580	8,432,974
Equity attributable to:				
Owners of the parent	507,384,822	(57,238,448)	147,617,580	8 ,432,974
Non-controlling interests	(698,788)	(44,470,290)	–	–
Total equity	506,686,034	(101,708,738)	147,617,580	8,432,974

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

9. Investment in Subsidiaries (Cont'd)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(i) Summarised Statements of Financial Position (Cont'd)

	MGB Group RM	ZIC RM	KESB RM	SSSB* RM
2021				
Non-current assets	403,698,954	162,483,739	128,195,120	39,387,008
Current assets	533,698,865	50,463,367	337,214,006	381,053,833
Non-current liabilities	(35,900,294)	(190,870,447)	(114,417,058)	(18,786,000)
Current liabilities	(403,609,559)	(111,528,552)	(244,987,004)	(218,517,556)
Net assets/(liabilities)	497,887,966	(89,451,893)	106,005,064	183,137,285
Equity attributable to:				
Owners of the parent	497,701,984	(50,078,053)	106,005,064	183,137,285
Non-controlling interests	185,982	(39,373,840)	–	–
Total equity	497,887,966	(89,451,893)	106,005,064	183,137,285

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	MGB Group RM	ZIC RM	KESB RM	KSSB RM
2022				
Revenue	612,801,214	14,841,261	390,034,809	224,684,696
Net profit/(loss) for the financial year	15,096,389	(11,799,864)	41,612,519	19,924,873
Other comprehensive income for the financial year	–	4,389,353	–	–
Total comprehensive income/(loss) for the financial year	15,096,389	(7,410,511)	41,612,519	19,924,873

	MGB Group RM	ZIC RM	KESB RM	SSSB* RM
2021				
Revenue	593,758,902	21,266,109	245,875,154	347,614,614
Net profit/(loss) for the financial year	27,083,569	(4,081,296)	13,571,468	76,745,482
Other comprehensive loss for the financial year	–	(1,252,705)	–	–
Total comprehensive income/(loss) for the financial year	27,083,569	(5,334,001)	13,571,468	76,745,482

* *Seloka Sinaran Sdn. Bhd. ("SSSB") became wholly-owned subsidiary during the financial year.*

9. Investment in Subsidiaries (Cont'd)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(iii) Summarised Statements of Cash Flows

	MGB Group RM	ZIC RM	KESB RM	KSSB RM
2022				
Net cash (used in)/from operating activities	(2,527,495)	1,234,341	99,304,108	1,262,195
Net cash used in investing activities	(3,939,209)	(793,622)	(47,827,960)	–
Net cash from/(used in) financing activities	7,792,913	–	(5,452,709)	3,394,016
Net increase in cash and cash equivalents	1,326,209	440,719	46,023,439	4,656,211

	MGB Group RM	ZIC RM	KESB RM	SSSB* RM
2021				
Net cash from operating activities	74,709,887	7,718,883	41,645,743	10,813,524
Net cash used in investing activities	(3,606,423)	(508,724)	–	(28,534,534)
Net cash (used in)/from financing activities	(101,367,144)	–	(58,695,021)	41,649,619
Net (decrease)/increase in cash and cash equivalents	(30,263,680)	7,210,159	(17,049,278)	23,928,609

* *Seloka Sinaran Sdn. Bhd. ("SSSB") became wholly-owned subsidiary during the financial year.*

(f) Disposal of a subsidiary

31 December 2022

On 3 January 2022, MGB Construction & Engineering Sdn. Bhd. ("MGBCE"), a wholly-owned subsidiary of MGB had entered into a Share Sale Agreement for the disposal of all the equity interest in Prisma Craft Sdn. Bhd. ("PCSB") for a total cash consideration of RM750,000 only. Consequently, PCSB has ceased to be a wholly-owned subsidiary of MGBCE. The subsidiary was previously reported as part of others segment as it is dormant.

The effect of the disposal of PCSB on the financial position of the Group at the date of disposal was as follows:

Fair value of identifiable assets acquired and liabilities assumed

	Group 2022 RM
Other receivables	157,488
Cash and bank balances	2,429
Other payables	(9,655)
Total net assets disposed	150,262
Gain on disposal	599,738
Proceeds from disposal	750,000
Less: Cash and bank balances disposed	(2,429)
Net cash inflows from disposal	747,571

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31 DECEMBER 2022

9. Investment in Subsidiaries (Cont'd)

(g) Internal re-organisation

31 December 2022

(i) On 27 January 2022, LBS Bina acquired 1,000 ordinary shares, representing the entire equity interest in Nuevoprima Development Sdn. Bhd. ("NDSB"), an indirect wholly-owned subsidiary of the Company from Leaptec Engineering Sdn. Bhd. ("LESB"), an indirect subsidiary of LBS Bina, for a total cash consideration of RM1,000 only.

(ii) On 28 January 2022, LBS Bina disposed 10 ordinary shares, representing the entire equity interest in Maju Kamabisa Sdn. Bhd.("MKSB"), an indirect wholly-owned subsidiary of the Company to LESB, an indirect subsidiary of LBS Bina, for a total cash consideration of RM9,904 only.

(iii) On 18 February 2022, the Company acquired 10,106,799 ordinary shares, representing the entire equity interest in Galeri Cekap Sdn. Bhd.("GCSB"), an indirect wholly-owned subsidiary of the Company from LBS Bina, for a total cash consideration of RM97,348 only.

31 December 2021

On 25 March 2021, LBS Bina disposed of 1,000 ordinary shares, representing the entire equity interest in NDSB, an indirect wholly-owned subsidiary of the Company to LESB for a total cash consideration of RM1,000 only.

(h) Additional investments

31 December 2022

(i) On 17 January 2022, Megah Solaris Sdn. Bhd. ("MSSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 8,987 to 25,987 ordinary shares. LBS Bina has subscribed for an additional 17,000 ordinary shares in MSSB for a total cash consideration of RM17,000 only.

(ii) On 17 January 2022, Kalimah Jaya Sdn. Bhd. ("KJSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 3 to 24,003 ordinary shares. LBS Bina has subscribed for an additional 24,000 ordinary shares in KJSB for a total cash consideration of RM24,000 only.

(iii) On 24 January 2022, Restu Bidara Sdn. Bhd. ("RBSB"), a wholly-owned subsidiary of Pelangi Homes Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 100 to 674,100 ordinary shares. LBS Bina has subscribed for additional 674,000 ordinary shares in RBSB for a total cash consideration of RM674,000 only.

(iv) On 8 March 2022, LESB has increased its paid-up share capital from 2,000,000 to 2,500,000 ordinary shares. GCSB has subscribed for an additional 350,000 ordinary shares in LESB for a total cash consideration of RM350,000 only. Consequently, LESB remain 70% owned subsidiary of GCSB.

(v) On 26 July 2022, MKSB had increased its paid-up share capital from 10 to 7,010 ordinary shares. LESB has subscribed for an additional 7,000 ordinary shares in MKSB for a total cash consideration of RM7,000 only.

9. Investment in Subsidiaries (Cont'd)

(h) Additional investments (Cont'd)

31 December 2022 (Cont'd)

(vi) On 26 July 2022, NDSB had increased its paid-up share capital from 1,000 to 9,000 ordinary shares. LBS Bina has subscribed for an additional 8,000 ordinary shares in NDSB for a total cash consideration of RM8,000 only.

(vii) On 10 August 2022, Pembangunan Primer Sdn. Bhd. ("PPSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 13,500,000 ordinary shares. LBS Bina has subscribed for an additional 13,000,000 ordinary shares in PPSB for a total cash consideration of RM13,000,000 only.

31 December 2021

(i) On 31 May 2021, Adil Restu Sdn. Bhd. ("ARSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 42,459,055 ordinary shares. LBS Bina has subscribed for an additional 41,959,055 ordinary shares in ARSB by way of capitalisation of amount due from ARSB.

(ii) On 31 May 2021, Azam Perspektif Sdn. Bhd. ("AZSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 4,587,957 ordinary shares. LBS Bina has subscribed for an additional 4,087,957 ordinary shares in AZSB by way of capitalisation of amount due from AZSB.

(iii) On 31 May 2021, GCSB had increased its paid-up share capital from 500,000 to 10,106,799 ordinary shares. LBS Bina has subscribed for an additional 9,606,799 ordinary shares in GCSB by way of capitalisation of amount due from GCSB.

(iv) On 31 May 2021, Gerbang Mekar Sdn. Bhd. ("GMSB"), a wholly-owned subsidiary of Saujana Tunggal Sdn Bhd ("STSB"), had increased its paid-up share capital from 2,000,000 to 106,651,145 ordinary shares. STSB has subscribed for an additional 104,651,145 ordinary shares in GMSB by way of capitalisation of amount due from GMSB.

(v) On 31 May 2021, Intellview Sdn. Bhd. ("IVSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 66,039,099 ordinary shares. LBS Bina has subscribed for an additional 65,539,099 ordinary shares in IVSB by way of capitalisation of amount due from IVSB.

(vi) On 31 May 2021, Inderaloka Impian Sdn. Bhd. ("IISB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 250,000 to 1,902,736 ordinary shares. LBS Bina has subscribed for an additional 1,652,736 ordinary shares in IISB by way of capitalisation of amount due from IISB.

(vii) On 31 May 2021, Juaraplex Sdn. Bhd. ("JPSB"), a wholly-owned subsidiary of Sinaran Restu Sdn. Bhd. ("SRSB"), had increased its paid-up share capital from 2 to 1,215,624 ordinary shares. SRSB has subscribed for an additional 1,215,622 ordinary shares in JPSB by way of capitalisation of amount due from JPSB.

(viii) On 31 May 2021, Kenderong Sdn. Bhd. ("KDSB"), a wholly-owned subsidiary of SRSB, had increased its paid-up share capital from 5,000 to 764,595 ordinary shares. SRSB has subscribed for an additional 759,595 ordinary shares in KDSB by way of capitalisation of amount due from KDSB.

(ix) On 31 May 2021, Keranji Bina Sdn. Bhd. ("KBSB"), a wholly-owned subsidiary of SRSB, had increased its paid-up share capital from 5,000 to 29,757 ordinary shares. SRSB has subscribed for an additional 24,757 ordinary shares in KBSB by way of capitalisation of amount due from KBSB.

9. Investment in Subsidiaries (Cont'd)

(h) Additional investments (Cont'd)

31 December 2021 (Cont'd)

(x) On 31 May 2021, Kilatlima Sdn. Bhd. ("KLSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 250,000 to 2,967,998 ordinary shares. LBS Bina has subscribed for an additional 2,717,998 ordinary shares in KLSB by way of capitalisation of amount due from KLSB.

(xi) On 31 May 2021, LBS Capital Sdn. Bhd. ("LCSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 4,000,000 to 7,785,798 ordinary shares. LBS Bina has subscribed for an additional 3,785,798 ordinary shares in LCSB by way of capitalisation of amount due from LCSB.

(xii) On 31 May 2021, Lingkaran Semangat Sdn. Bhd. ("LISSB"), a wholly-owned subsidiary of SRSB, had increased its paid-up share capital from 20,002 to 747,944 ordinary shares. SRSB has subscribed for an additional 727,942 ordinary shares in LISSB by way of capitalisation of amount due from LISSB.

(xiii) On 31 May 2021, Megah Solaris Sdn. Bhd. ("MSSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 1,000 to 8,987 ordinary shares. LBS Bina has subscribed for an additional 7,987 ordinary shares in MSSB by way of capitalisation of amount due from MSSB.

(xiv) On 31 May 2021, STSB had increased its paid-up share capital from 1,000 to 120,640,947 ordinary shares. LBS Bina has subscribed for an additional 120,639,947 ordinary shares in STSB by way of capitalisation of amount due from STSB.

(xv) On 1 June 2021, Utuh Aspirasi Sdn. Bhd. ("UASB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 100,000 to 250,000 ordinary shares. LBS Bina has subscribed for an additional 150,000 ordinary shares in UASB by way of capitalisation of amount due from UASB.

(xvi) On 30 July 2021, ARSB had increased its paid-up share capital from 42,459,055 to 47,022,620 ordinary shares. LBS Bina has subscribed for an additional 4,563,565 ordinary shares in ARSB by way of capitalisation of amount due from ARSB.

(xvii) On 30 July 2021, IVSB had increased its paid-up share capital from 66,039,099 to 67,566,896 ordinary shares. LBS Bina has subscribed for an additional 1,527,797 ordinary shares in IVSB by way of capitalisation of amount due from IVSB.

(xviii) On 27 August 2021, LESB had increased its paid-up share capital from 1,000,000 to 2,000,000 ordinary shares. GCSB has subscribed for an additional 700,000 ordinary shares in LESB for a total cash consideration of RM700,000 only. Consequently, LESB remain 70% owned subsidiary of GCSB.

(xix) On 27 September 2021, Kita Sejati Sdn. Bhd. ("KISSB"), a wholly-owned subsidiary of the Company, had increased its paid-up share capital from 20,900,000 to 25,000,000 ordinary shares. The Company has subscribed for an additional 4,100,000 ordinary shares in KISSB by way of capitalisation of amount due from KISSB.

(xx) On 5 October 2021, MGB had increased its issued and paid-up share capital from 501,652,605 to 591,652,605 by way of conversion of 90,000,000 ICPS into 90,000,000 new ordinary shares at the conversion ratio of 1 unit ICPS into 1 new ordinary share with no additional cash payment.

9. Investment in Subsidiaries (Cont'd)

(h) Additional investments (Cont'd)

31 December 2021 (Cont'd)

(xxi) On 28 December 2021, JPSB had increased its paid-up share capital from 1,215,624 to 1,221,624 ordinary shares. SRSB has subscribed for an additional 6,000 ordinary shares in JPSB for a total cash consideration of RM6,000 only.

(xxii) On 28 December 2021, KDSB had increased its paid-up share capital from 764,595 to 773,595 ordinary shares. SRSB has subscribed for an additional 9,000 ordinary shares in KDSB for a total cash consideration of RM9,000 only.

(xxiii) On 28 December 2021, KBSB had increased its paid-up share capital from 29,757 to 38,757 ordinary shares. SRSB has subscribed for an additional 9,000 ordinary shares in KBSB for a total cash consideration of RM9,000 only.

(xxiv) On 28 December 2021, LISSB had increased its paid-up share capital from 747,944 to 756,944 ordinary shares. SRSB has subscribed for an additional 9,000 ordinary shares in LISSB for a total cash consideration of RM9,000 only.

(i) There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

(j) Strike off of subsidiaries

31 December 2022

Below mentioned subsidiaries were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016:

(a) Healthguard Medical Sdn. Bhd., a 60% owned subsidiary of LBS Bina was struck off on 26 January 2023.

(b) Megah Solaris Sdn. Bhd., a wholly-owned subsidiary of LBS Bina was struck off on 2 March 2023.

(c) Nuevoprima Development Sdn. Bhd., a wholly-owned subsidiary of LBS Bina was struck off on 2 March 2023.

(d) Bimbingan Simfoni Sdn. Bhd., a 51% owned subsidiary of LBS Bina was struck off on 24 March 2023.

(e) Taman Sempurna Sdn. Bhd., a wholly-owned subsidiary of LBS Bina was struck off on 3 April 2023.

31 December 2021

(i) Below mentioned subsidiaries were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016:

(a) Linkway Property Co., Ltd., a wholly-owned subsidiary of the Company was struck off on 20 December 2021.

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9. Investment in Subsidiaries (Cont'd)

(j) Strike off of subsidiaries (Cont'd)

31 December 2021 (Cont'd)

(i) Below mentioned subsidiaries were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016: (Cont'd)

(b) Dayang Merdeka Sdn. Bhd., a 51% owned subsidiary of LBS Bina was struck off on 23 February 2022.

(c) Induk Pelita Sdn. Bhd., a 81% owned subsidiary of LBS Bina was struck off on 3 March 2022.

(d) Nuevo Attraction & Destination Sdn. Bhd., a 60% owned subsidiary of LBS Bina was struck off on 14 March 2022.

(e) Prima Utuh Sdn. Bhd., a 80% owned subsidiary of LBS Bina was struck off on 14 March 2022.

(f) Puncak Maksimum Sdn. Bhd. (formerly known as Puncak Maksimum Berhad), a wholly-owned subsidiary of the Company was struck off on 23 March 2022.

(g) LBS Maju Sdn. Bhd., a 70% owned subsidiary of LBS Bina was struck off on 7 April 2022.

(h) Legasi Holdings Group Sdn. Bhd., a 51% owned subsidiary of LBS Bina was struck off on 7 April 2022.

(ii) Below mentioned companies have submitted the application for voluntarily strike-off. These subsidiaries shall be struck off from the register of the Companies Commission of Malaysia upon publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016, which is pending as at the date of the report.

(a) LBS Properties Sdn. Bhd., a wholly-owned subsidiary of LBS Bina.

(b) Nilam Mewah Sdn. Bhd., a 55% owned subsidiary of SRSB.

The effect of striking off below mentioned subsidiaries on the financial position of the Group as at the date of strike off are as follows:

	Group	
	2022 RM	2021 RM
Other reserves	64,947	767,957
Non-controlling interests	(77,870)	(40,175)
Exchange differences	–	(20)
Total equity	(12,923)	727,762
Gain/(Loss) on strike off	12,923	(727,762)
	–	–

NOTES TO THE FINANCIAL STATEMENTS
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10. Investment in Associates

(a) Investment in associates

	Group 2022 RM	2021 RM
At cost		
Unquoted shares in Malaysia	4,134,031	4,254,031
Less: Accumulated impairment losses	(409,969)	(519,283)
	3,724,062	3,734,748
Group's share of post acquisition reserves	(1,129,171)	(1,160,672)
Share of current year profit	82,486	133,453
Dividend received	(180,000)	(150,000)
	2,497,377	2,557,529

Details of the associates are disclosed in Note 53.

The movements in the allowance for impairment losses of investment in associates are as follows:

	Group 2022 RM	2021 RM
At 1 January	519,283	505,126
Impairment losses during the financial year	–	14,197
Reversal of impairment losses during the financial year	(109,314)	(40)
At 31 December	409,969	519,283

31 December 2022

(i) Disposal of associates

(a) On 23 February 2022, MGBCE has entered into Share Sale Agreement with a third party for the disposal of all the equity interest in YLT Consultancy Sdn. Bhd. ("YLT") for a cash consideration of RM45,000 only. Consequently, YLT has ceased to be associate of MGBCE.

(b) On 3 November 2022, LBS Bina disposed of all the equity interest in PCSB for a total cash consideration of RM54,000 only. Consequently, PCSB has ceased to be a 49% owned associate of LBS Bina.

(ii) Acquisition of associate

On 15 July 2022, LBS Bina acquired 367,500 ordinary shares, representing 49% equity interest in PCSB for a total cash consideration of RM54,000 only. Consequently, PCSB became a 49% owned associate of LBS Bina.

(iii) Strike off of associate

Pristine Sunrise (M) Sdn. Bhd., a 30% owned associate of LBS Bina was struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 26 January 2023.

NOTES TO THE FINANCIAL STATEMENTS
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10. Investment in Associates (Cont'd)

(a) Investment in associates (Cont'd)

31 December 2021

(i) Strike off of associate

Bayu Cergas Sdn. Bhd., a 40% owned associate of LBS Bina was struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 17 March 2022.

(b) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

	Group	
	2022 RM	2021 RM
Assets and liabilities		
Non-current assets	145,470	1,160,832
Current assets	3,021,406	3,246,956
Total assets	3,166,876	4,407,788
Non-current liabilities	(30,691)	(747,772)
Current liabilities	(1,780,546)	(1,939,062)
Total net assets	1,355,639	1,720,954

(c) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

	Group	
	2022 RM	2021 RM
Financial results		
Revenue	2,679,565	2,505,141
Profit before tax	702,099	968,457
Taxation	(180,747)	(166,578)
Net profit for the financial year	521,352	801,879

The unrecognised share of losses of the associates is as follows:

	Group	
	2022 RM	2021 RM
At 1 January	327,954	318,989
Share of losses during the financial year	22,912	16,795
Reversal of share of losses on striking off an associate	(2,813)	(7,830)
At 31 December	348,053	327,954

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

10. Investment in Associates (Cont'd)

(d) The Group's associates are individually immaterial to the financial position, financial performance and cash flows of the Group.

11. Other Investments

	Group 2022 RM	Group 2021 RM
Non-current		
Other investments		
At cost		
Transferable corporate club memberships	1,133,001	1,133,001
Accumulated impairment losses		
At 1 January	565,001	557,001
Impairment losses during the financial year	63,000	8,000
At 31 December	628,001	565,001
	505,000	568,000
Current		
Financial assets measured at fair value through profit or loss		
Over the counter trust funds measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	–	2,003,129
Total other investments	505,000	2,571,129

During the financial year, an impairment loss of RM63,000 (2021: RM8,000) was provided for transferable corporate club memberships as there were decline in the fair value of these investments below their costs.

12. Intangible Assets

	Group 2022 RM	Group 2021 RM
Cost		
At 1 January/31 December	3,016,020	3,016,020
Accumulated amortisation		
At 1 January	3,016,020	2,668,843
Charge for the financial year	–	347,177
At 31 December	3,016,020	3,016,020
Carrying amount		
At 31 December	–	–

NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible Assets (Cont'd)

A subsidiary of the Company has completed the purchase price allocation ("PPA") exercise to determine the fair value of the net assets of Multi Court Developers Sdn. Bhd. within the stipulated time period, i.e. twelve (12) months from the acquisition date of 5 January 2018, in accordance to MFRS 3 *Business Combinations*.

The intangible assets, deferred tax liabilities arising from the intangible assets and goodwill on consolidation have been reflected accordingly in the statements of financial position.

13. Goodwill on Consolidation

	Group	
	2022 RM	2021 RM
Cost		
At 1 January	184,738,924	184,738,924
Additions	44,453	–
At 31 December	184,783,377	184,738,924
Accumulated impairment losses		
At 1 January	111,905,285	86,783,921
Additions	6,693,781	25,121,364
At 31 December	118,599,066	111,905,285
Carrying amount		
At 31 December	66,184,311	72,833,639

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to business segments as follows:

	Group	
	2022 RM	2021 RM
Property development	66,184,311	72,833,639

(b) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value in use calculations are based on future projection of the Group in Malaysia are as follows:

	Property development	
	2022 RM	2021 RM
Pre-tax discount rate (per annum)	6%	5%

NOTES TO THE FINANCIAL STATEMENTS
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13. Goodwill on Consolidation (Cont'd)

(b) Key assumptions used to determine the recoverable amount (Cont'd)

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

(i) Growth rate - Not applicable for property development segment as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU.

(ii) Pre-tax discount rate - Rate that reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

(c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(d) Impairment loss recognised during the financial year

The Group recognised an impairment loss of RM6,693,781 (2021: RM25,121,364) during the financial year in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiaries mainly undertake development projects which are expected to complete within the next 5 years. As a decrease in development activities or other significant cash generating activities is expected from the subsidiaries, the related goodwill has been impaired accordingly. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

14. Trade Receivables

	Group	
	2022 RM	2021 RM
Non-current		
Trade receivables		
- Third parties	3,067,743	2,764,706
Current		
Trade receivables		
- Third parties	360,738,370	394,673,939
- Related parties	7,836	–
	360,746,206	394,673,939
Retention sum receivables		
- Third parties	824,737	7,607,037
	361,570,943	402,280,976
Less: Accumulated impairment losses	(3,166,088)	(7,096,466)
Total current trade receivables	358,404,855	395,184,510
Total trade receivables	361,472,598	397,949,216

NOTES TO THE FINANCIAL STATEMENTS
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14. Trade Receivables (Cont'd)

The Group's normal trade credit terms range from 7 to 180 days (2021: 14 to 180 days) term. Other credit terms are assessed and approved on a case-to-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables was an amount of RM73,873,409 (2021: RM48,974,851) retained by stakeholders which are due upon the expiry of retention period as stipulated in the sale and purchase agreements signed with property purchasers. The retention periods range from 8 to 24 months (2021: 8 to 24 months).

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
2022			
At 1 January	3,166,505	3,929,961	7,096,466
Allowance for impairment losses	169,661	852,077	1,021,738
Written off	–	(138,155)	(138,155)
Reversal of allowance for impairment losses	(3,021,581)	(1,791,227)	(4,812,808)
Exchange differences	–	(1,153)	(1,153)
At 31 December	314,585	2,851,503	3,166,088
2021			
At 1 January	1,729,456	4,156,518	5,885,974
Allowance for impairment losses	1,784,819	950,263	2,735,082
Reversal of allowance for impairment losses	(347,770)	(1,220,544)	(1,568,314)
Exchange differences	–	43,724	43,724
At 31 December	3,166,505	3,929,961	7,096,466

14. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing are as follows:

	Gross Amount RM	Loss allowance RM	Net amount RM
Group			
2022			
Not past due	198,940,370	(10,382)	198,929,988
Past due:			
Less than 30 days	25,791,980	(10,948)	25,781,032
31 to 60 days	23,980,778	(7,860)	23,972,918
More than 60 days	113,074,055	(285,395)	112,788,660
	162,846,813	(304,203)	162,542,610
Credit impaired:			
Individually impaired	2,851,503	(2,851,503)	–
	364,638,686	(3,166,088)	361,472,598
2021			
Not past due	230,816,883	(222,889)	230,593,994
Past due:			
Less than 30 days	35,730,590	(7,402)	35,723,188
31 to 60 days	24,730,309	(17,725)	24,712,584
More than 60 days	109,837,939	(2,918,489)	106,919,450
	170,298,838	(2,943,616)	167,355,222
Credit impaired:			
Individually impaired	3,929,961	(3,929,961)	–
	405,045,682	(7,096,466)	397,949,216

Trade receivables that are not past due or past due

(i) Property development

Included in gross trade receivables were an amount of RM331,774,026 (2021: RM367,974,846), mainly related to amount due from property purchasers with end financing facilities from reputable end financiers. In respect of property purchasers with no end financing facilities, the Group retains the legal title to all the properties sold until the purchase consideration is fully settled.

As at 31 December 2022, trade receivables that are individually determined to be impaired were RM1,798,502 (2021: RM3,098,502), mainly related to purchasers whom were in significant financial difficulties or have defaulted on payments. For those trade receivables that are individually impaired, the Group's internal legal department will follow up with enforcement activities.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2022, the Group provided lifetime impairment losses of RMNil (2021: RM2,995,313) based on purchasers' historical data as an assumption for possibility of default.

NOTES TO THE FINANCIAL STATEMENTS
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14. Trade Receivables (Cont'd)

Trade receivables that are not past due or past due (Cont'd)

(ii) Construction and trading

Included in gross trade receivables were an amount of RM23,431,432 (2021: RM28,857,960), mainly were creditworthy receivables with good payment record and active corporate clients with healthy business relationship but slower repayment records. The management is of the view that the amount are recoverable based on past payment record.

As at 31 December 2022, trade receivables that are individually assessed to be impaired amounting to RM778,623 (2021: RM202,937), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2022, the Group provided lifetime impairment losses of RM99,170 (2021: RM123,430) based on customers' historical data as an assumption for possibility of default.

(iii) Others

Included in gross trade receivables were an amount of RM9,433,228 (2021: RM8,212,876), mainly were creditworthy receivables with good payment record and active corporate clients with healthy business relationship but slower repayment records. The management is of the view that the amount are recoverable based on past payment record.

As at 31 December 2022, trade receivables that are individually assessed to be impaired amounting to RM274,378 (2021: RM628,522), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2022, the Group provided lifetime impairment losses of RM215,415 (2021: RM47,762) based on customers' historical data as an assumption for possibility of default.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of purchasers, who are widely distributed and cover a broad range of end markets. There is no objective evidence that the remaining trade receivables are not fully recoverable.

15. Deferred Tax Assets/(Liabilities)

	Group	
	2022 RM	2021 RM
At 1 January, as previously reported	19,055,108	(655,766)
Effect on adoption of the Agenda Decision	–	10,667,157
At 1 January, as restated	19,055,108	10,011,391
Recognised in profit or loss	17,688,449	9,305,983
Crystallisation of deferred tax	1,778,706	1,746,951
Exchange differences	1,131,899	(2,009,217)
At 31 December	39,654,162	19,055,108

15. Deferred Tax Assets/(Liabilities) (Cont'd)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group 2022 RM	2021 RM
Deferred tax assets	75,611,028	58,570,516
Deferred tax liabilities	(35,956,866)	(39,515,408)
	39,654,162	19,055,108

The components and movements of deferred tax assets and liabilities at the end of reporting period prior to offsetting are as follows:

Deferred tax assets of the Group

	Unutilised capital allowances RM	Unused tax losses RM	Retirement benefit obligations RM	Others RM	Total RM
2022					
At 1 January	4,670,358	1,225,216	–	59,218,663	65,114,237
Recognised in profit or loss	1,924,099	(551,249)	1,364,794	7,608,763	10,346,407
Under provision in prior year	1,928,391	382,025	–	8,801,684	11,112,100
At 31 December (before offsetting)	8,522,848	1,055,992	1,364,794	75,629,110	86,572,744
Offsetting					(10,961,716)
At 31 December (after offsetting)					75,611,028

	Unutilised capital allowances RM	Unused tax losses RM	Others RM	Total RM
2021				
At 1 January, as previously reported	3,744,355	717,986	38,354,556	42,816,897
Effect on adoption of the Agenda Decision	–	(398)	10,779,935	10,779,537
At 1 January, as restated	3,744,355	717,588	49,134,491	53,596,434
Recognised in profit or loss	1,174,321	72,801	(609,828)	637,294
(Over)/Under provision in prior year	(248,318)	434,827	10,694,000	10,880,509
At 31 December (before offsetting)	4,670,358	1,225,216	59,218,663	65,114,237
Offsetting				(6,543,721)
At 31 December (after offsetting)				58,570,516

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15. Deferred Tax Assets/(Liabilities) (Cont'd)

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Others RM	Total RM
2022			
At 1 January	(44,848,130)	(1,210,999)	(46,059,129)
Recognised in profit or loss	(2,882,782)	326,214	(2,556,568)
(Under)/Over provision in prior year	(1,560,849)	347,359	(1,213,490)
Crystallisation of deferred tax	1,778,706	–	1,778,706
Exchange differences	1,131,899	–	1,131,899
At 31 December (before offsetting)	(46,381,156)	(537,426)	(46,918,582)
Offsetting			10,961,716
At 31 December (after offsetting)			(35,956,866)
2021			
At 1 January, as previously reported	(42,651,865)	(820,798)	(43,472,663)
Effect on adoption of the Agenda Decision	–	(112,380)	(112,380)
At 1 January, as restated	(42,651,865)	(933,178)	(43,585,043)
Recognised in profit or loss	(2,019,483)	(303,566)	(2,323,049)
Over provision in prior year	85,484	25,745	111,229
Crystallisation of deferred tax	1,746,951	–	1,746,951
Exchange differences	(2,009,217)	–	(2,009,217)
At 31 December (before offsetting)	(44,848,130)	(1,210,999)	(46,059,129)
Offsetting			6,543,721
At 31 December (after offsetting)			(39,515,408)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2022 RM	2021 RM
Unutilised capital allowances	16,145,007	12,408,921
Unused tax losses	133,607,592	115,112,160
Deductible temporary differences	115,337,642	105,954,737
	265,090,241	233,475,818

Deferred tax assets have not been recognised in respect of these items due to uncertainty of their realisation or they have arisen in subsidiaries that have a recent history of losses.

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16. Contract Assets/(Liabilities)

	Group 2022 RM	2021 RM
Contract assets		
Construction contracts (a)	4,531,753	3,008,950
Property development activities (b)	633,839,143	605,934,111
	638,370,896	608,943,061
Contract liabilities		
Construction contracts (a)	3,075,844	5,774,295
Property development activities (b)	28,116,448	11,651,582
	31,192,292	17,425,877

(a) Construction contracts

	Group 2022 RM	2021 RM
Contract cost incurred to-date	373,385,116	427,672,184
Attributable profits recognised to-date	51,953,763	54,827,545
	425,338,879	482,499,729
Less: Progress billings	(423,725,806)	(485,107,910)
Less: Accumulated impairment losses	(157,164)	(157,164)
	1,455,909	(2,765,345)
Presented as:		
Contract assets	4,531,753	3,008,950
Contract liabilities	(3,075,844)	(5,774,295)
	1,455,909	(2,765,345)

Included in contract cost incurred to-date during the financial year was finance cost of RM816,540 (2021: RMNil).

Included in progress billings is retention sum of RM824,737 (2021: RM7,607,037).

Movements in the allowance for impairment losses of contract assets are as follow:

	Group 2022 RM	2021 RM
At 1 January/31 December	157,164	157,164

The contract assets represent the unbilled amount for work completed. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised over time during the construction period.

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16. Contract Assets/(Liabilities) (Cont'd)

(b) Property development activities

	Group	
	2022 RM	2021 RM
At 1 January	594,282,529	525,335,363
Property development revenue recognised during the financial year	1,507,082,795	1,195,089,076
Less: Billings during the financial year	(1,495,642,629)	(1,126,141,910)
At 31 December	605,722,695	594,282,529
Presented as:		
Contract assets	633,839,143	605,934,111
Contract liabilities	(28,116,448)	(11,651,582)
	605,722,695	594,282,529

The contract assets and liabilities balances represent the timing differences in revenue recognition and milestone billings. The milestone billings for property development contract are governed by the relevant regulations.

Contract assets in relation to property development activities is the excess of revenue recognised in profit or loss over billings to purchasers. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional. Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 180 days.

(c) Contract value yet to be recognised as revenue

The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the Group recognises revenue from the satisfaction of the performance obligation using output methods in accordance with paragraph B16 of MFRS 15.

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17. Other Receivables

	Group 2022 RM	Group 2021 RM
Current		
Other receivables		
- Third parties	39,684,744	20,887,817
- Related parties	957,789	1,029,771
	40,642,533	21,917,588
Less: Accumulated impairment losses		
- Third parties	(2,014,215)	(2,632,170)
	38,628,318	19,285,418
Deposits		
- Third parties	87,419,032	94,947,517
- Related parties	3,650	1,500
GST receivable	568,729	568,747
Prepayments	64,580,898	92,586,937
Total other receivables	191,200,627	207,390,119

	Company 2022 RM	Company 2021 RM
Current		
Other receivables	359,345	390,229
Deposits	4,500	1,024,500
Prepayment	401,103	120,000
Total other receivables	764,948	1,534,729

Included in other receivables of the Group mainly comprise of the followings:

(i) Deposits, prepaid purchase consideration and development expenses of RM78,177,324 (2021: RM122,991,232), paid for the acquisition and joint venture of development lands that have not been completed as at 31 December 2022. The balance of purchase consideration is disclosed as capital commitments in Note 50.

(ii) An amount of RM33,007,037 (2021: RM25,805,921) paid for Certificate of Share Unit Formula (Sijil Formula Unit Syer - SiFUS) fees for strata title subdivision.

(iii) An amount of RM2,699,003 (2021: RM2,699,003) provided for settlement with the purchasers of a development project of a subsidiary in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.

(iv) An amount of RM587,843 (2021: RM583,533) arising from a project management agreement signed with a developer. The projects have been completed and collection is pending strata titles issuance and closure of Housing Development Accounts by the developer.

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17. Other Receivables (Cont'd)

The movements in the allowance for impairment losses (individually assessed) of other receivables are as follows:

	Group	
	2022 RM	2021 RM
At 1 January	2,632,170	3,772,613
Allowance for impairment losses	–	329,013
Reversal of allowance for impairment losses	(617,955)	(1,469,456)
At 31 December	2,014,215	2,632,170

Other receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties or have defaulted on payment.

18. Amount Due from/(to) Subsidiaries

(a) Amount due from subsidiaries (Non-Current)

These represent unsecured, non-interest bearing advances and repayable after twelve months except for an amount of RM52,103,334 (2021: RMNil) which bear interest at a rate of 1.81% to 9.75% (2021: Nil) per annum.

(b) Amount due from/(to) subsidiaries (Current)

		Company	
	Note	2022 RM	2021 RM
Trade		–	(766,666)
Non-trade			
Amount due from subsidiaries	(i)	597,462,576	622,749,196
		597,462,576	621,982,530

Movements in the allowance for impairment losses of amount due from subsidiaries are as follows:

	Company	
	2022 RM	2021 RM
At 1 January	–	4,758
Reversal of allowance for impairment losses	–	(4,758)
At 31 December	–	–

18. Amount Due from/(to) Subsidiaries (Cont'd)

(b) Amount due from/(to) subsidiaries (Current) (Cont'd)

(i) This represents unsecured, non-interest bearing advances and repayable on demand except for an amount of RM596,566,441 (2021: RM574,644,411) which bear interest range from 1.81% to 9.75% (2021: at a rate of 1.85% to 6.85%) per annum at the reporting date and RMNil (2021: RM35,370,000) represented bank borrowings obtained on behalf by the Company which are non-interest bearing (2021: range from 4.00% to 9.00%) per annum.

19. Amount Due from/(to) Associates

(a) Amount due from associates

This represents unsecured, non-interest bearing advances and repayable on demand. An amount of RMNil (2021: RM7,200) represents trade transactions.

(b) Amount due to an associate

This represents trade in nature, unsecured, non-interest bearing and repayable on demand.

20. Fixed Deposits with Licensed Banks

Included in fixed deposits of the Group and of the Company are amounts of RM24,581,876 and RM1,041,793 (2021: RM22,302,268 and RM988,305) respectively, which are pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiaries as disclosed in Notes 32(h) and 34(d) respectively.

The interest rates and maturities of deposits of the Group at the reporting date range from 1.30% to 3.80% (2021: 1.25% to 3.80%) per annum and 1 to 365 days (2021: 1 to 365 days) respectively. All unpledged deposits have maturity periods of less than three months.

The interest rates and maturities of deposits of the Company at the reporting date range from 1.50% to 2.65% (2021: 1.25% to 1.65%) per annum and 1 to 365 days (2021: 1 to 365 days) respectively.

21. Cash Held under Housing Development Accounts

Cash held under Housing Development Accounts which are not freely available for use represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Control and Licensing) Act, 1966.

The interest rates of cash held under Housing Development Accounts at the reporting date range from 0.30% to 1.70% (2021: 0.35% to 1.80%) per annum.

22. Cash and Bank Balances

Included in cash and bank balances of the Group and of the Company are deposits with licensed banks amounting to RM1,250,055 and RM310,623 (2021: RM5,823,814 and RM333,388) respectively, which have been pledged to licensed banks for banking facilities granted to the Group and to the Company as disclosed in Notes 32(f) and 33(b) respectively.

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23. Assets Held for Sale

		Group	
		2022	2021
	Note	RM	RM
Leasehold buildings	8	221,735	2,348,425

In May 2021, Kilatlima Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, entered into a Sale and Purchase Agreement to dispose of a leasehold building for a total cash consideration of RM210,000. The disposal was completed during the financial year.

In December 2021, the Directors of Pelangi Homes Sdn. Bhd., a subsidiary of LBS Bina, have decided to dispose of a leasehold building for a total cash consideration of RM2,200,000 to its holdings company, LBS Bina. The disposal was completed during the financial year.

In December 2022, SPJ Construction Sdn. Bhd., a subsidiary of LBS Bina, have decided to dispose of two units of leasehold buildings. The asset had been written down to their fair value less costs to sell. This is non-recurring fair value which has been measured using observable inputs, being prices for recent sales of similar building, and is therefore within Level 2 of the fair value hierarchy. The disposal is pending completion as at the date of this report.

24. Share Capital

	Group/Company			
	Number of shares		Amount	
	2022	2021	2022	2021
	Units	Units	RM	RM
Issued and fully paid ordinary shares				
At 1 January/31 December	1,569,245,151	1,569,245,151	819,378,365	819,378,365
Redeemable Convertible Preference Shares ("RCPS")				
At 1 January/31 December	94,099,035	94,099,035	103,508,939	103,508,939
Total	1,663,344,186	1,663,344,186	922,887,304	922,887,304

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

Redeemable Convertible Preference Shares ("RCPS")

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

24. Share Capital (Cont'd)

Redeemable Convertible Preference Shares ("RCPS") (Cont'd)

The salient terms of the RCPS are as follows:

(a) The Company shall at its discretion and subject to the availability of distributable profits pay out a targeted preferential dividend of 6% in each financial year calculated on the issue price of the RCPS from and including the Issue Date i.e. 8 August 2017 until the date of redemption of the RCPS.

(b) The preferential dividends, if declared, shall be payable annually in arrears, subject to availability of distributable profits. Although annual payments are anticipated as disclosed above, the Company may defer, in part or in whole, such payments depending on availability of distributable profits ("Deferred Dividends"). For avoidance of doubt, the Company is not obliged to pay any dividends or Deferred Dividends, as the case may be, in the event that it has insufficient distributable profits.

(c) The RCPS shall be convertible, at the option of the holder of RCPS, at any time commencing from the Issue Date up to the relevant redemption date of the RCPS, into such number of fully-paid new ordinary shares of the Company, without payment of any consideration, in accordance with the Conversion Ratio.

(d) Subject to the provisions of the Companies Act 2016 and any other applicable legislation, the Company may at any time on or after the 5th anniversary of the Issue Date, at its discretion, redeem all (and not some only) of the outstanding RCPS by giving notice in writing not less than 30 days prior to the redemption date to the holders of RCPS of its intention to do so.

(e) The RCPS holders shall not have the right to vote at any general meeting of the Company except with regard to:

  (i) when the dividend or part of the dividend payable on the RCPS is in arrears for more than six (6) months;

  (ii) on any proposal to reduce the share capital of the Company;

  (iii) on any proposal for the disposal of substantially the whole of the property, business and undertaking of the Company;

  (iv) on any proposal that affects the rights and privileges attached to the RPCS; or

  (v) on any proposal to wind-up the Company or during the winding-up of the Company;

  in which case, the RCPS holders shall be entitled to vote together with the holders of Shares by way of poll and each RCPS holders shall be entitled to one (1) vote for each Share into the RPCS are convertible upon exercise of the Conversion Rights (at the Conversion Ratio) and every Share shall, notwithstanding any other provisions in this Constitution, carry one (1) vote for each such Share.

(f) The holders of RCPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders of ordinary shares are entitled.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2022, the total number of RCPS that remain unexercised was 94,099,035 (2021: 94,099,035).

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25. Treasury Shares

	Group/Company			
	Number of shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
At 1 January	8,585,194	7,584,694	3,190,894	2,685,339
Shares repurchased	8,252,000	1,000,500	3,468,565	505,555
At 31 December	16,837,194	8,585,194	6,659,459	3,190,894

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 16 June 2022, renewed the authority in relation to shares repurchased. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 8,252,000 (2021: 1,000,500) of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.42 (2021: RM0.51) per share. The total consideration paid for the repurchase including transaction costs was RM3,468,565 (2021: RM505,555). The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The Company has the right to resell these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

26. Other Reserves

		Group	
	Note	2022 RM	2021 RM
Non-distributable			
ESOS reserves	(a)	–	4,169,856
Foreign currency translation reserves	(b)	124,598,185	123,038,971
Other reserves	(c)	(335,015,849)	(329,513,257)
		(210,417,664)	(202,304,430)

		Company	
	Note	2022 RM	2021 RM
ESOS reserves	(a)	–	4,169,856

26. Other Reserves (Cont'd)

(a) ESOS reserves

	Group/Company 2022 RM	2021 RM
At 1 January	4,169,856	4,421,701
Realisation of ESOS reserves	(4,169,856)	(251,845)
At 31 December	–	4,169,856

Employees' Share Option Scheme reserves represent the equity-settled share options granted to employees. The reserves are made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry, cancellation or exercise of the share options.

Details of Employees' Share Option Scheme are disclosed in Note 41.

(b) Foreign currency translation reserves

The foreign currency translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Other reserves

Other reserves represent the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid.

27. Perpetual Sukuk Musharakah ("Perpetual Sukuk")

	Group/Company 2022 RM	2021 RM
Issuance nominal value	223,000,000	223,000,000

The Company established a Perpetual Sukuk Musharakah Programme ("Programme") of up to RM700 million in nominal value based on the Shariah principle of Musharakah.

On 30 March 2020, the Company made its first issuance pursuant to the Programme for the amount of RM130 million at nominal value and carrying a distribution rate of 6.80% per annum.

On 30 July 2021, the Company issued a second series of RM93 million pursuant to the Programme at its nominal value that carries a distribution rate of 6.85% per annum.

The Perpetual Sukuk is established to raise funds as and when required to be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk.

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27. Perpetual Sukuk Musharakah ("Perpetual Sukuk") (Cont'd)

The salient features of the Perpetual Sukuk are as follows:

(a) The Perpetual Sukuk is issued under the Shariah principle of Musharakah;

(b) The expected periodic distribution rates from year 1 to year 5 are ranging from 6.80% to 6.85% per annum payable semi-annually. The first call date for the first issuance and second series is on 28 March 2025 and 30 July 2026 respectively ("First Call Date"). If the Company does not exercise its option to redeem the Perpetual Sukuk on the First Call Date, the periodic distribution rate increases by 2.5% per annum in year 6 and subsequently the periodic distribution rate increases by additional 1% per annum on each anniversary of the First Call Date and subject to a maximum rate of 15% per annum;

(c) No fixed redemption date but the Company has the option to redeem at the end of the fifth year from the date of issue and on each subsequent semi-annual periodic distribution date;

(d) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:

(i) Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;

(ii) Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;

(iii) Change in Control Event - if Tan Sri Dato' Sri Lim Hock San ceases to be the single largest shareholder (directly or indirectly) of the Company;

(iv) Leverage Event - if the Net Debts over Equity Ratio of the Company (on a consolidated basis) exceeds 1.25 times;

(v) Privatisation Event - if the Company fails to maintain the status as a public listed company on Bursa Malaysia Securities Berhad and is delisted; and

(vi) Shareholder Event - the Company reduces the issued and fully paid ordinary shares.

(e) Payment obligations on the Perpetual Sukuk will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company.

28. Trade Payables

	Group 2022 RM	2021 RM
Non-current		
Trade payables	450,497,264	453,428,632
Current		
Trade payables		
- Third parties	304,278,784	390,996,391
- Related parties	7,077,267	6,829,875
	311,356,051	397,826,266
Retention sum		
- Third parties	101,145,486	107,907,865
- Related parties	2,681,472	2,004,139
	103,826,958	109,912,004
	415,183,009	507,738,270
Total trade payables	865,680,273	961,166,902

(a) Non-current trade payables

This mainly represents payables for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

(b) Current trade payables

The normal trade credit terms granted to the Group range from cash basis to 60 days (2021: cash basis to 60 days) depending on the terms of the contracts.

Included in trade payables of the Group mainly comprise of an amount of RM49,547,661 (2021: RM84,996,695) for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

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29. Other Payables

	Group 2022 RM	Group 2021 RM
Non-current		
Other payables		
- Related parties	53,592,711	55,557,549
Current		
Other payables		
- Third parties	85,548,663	107,677,129
- Related parties	2,685,340	8,581,015
	88,234,003	116,258,144
Accruals	248,995,375	327,693,088
Deposits		
- Third parties	9,360,145	6,160,743
- Related party	–	2,400
	9,360,145	6,163,143
Amount due to a shareholder	3,024,630	3,528,909
Provision	129,929,700	61,992,360
	479,543,853	515,635,644
Total other payables	533,136,564	571,193,193

	Company 2022 RM	Company 2021 RM
Current		
Other payables	232,460	816,556
Accruals	431,048	1,492,929
Total other payables	663,508	2,309,485

(a) Non-current other payables

Unsecured and interest free advances of RM53,592,711 (2021: RM55,557,549) from a joint venture partner which is not expected to be settled within the next twelve months.

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29. Other Payables (Cont'd)

(b) Current other payables

Included in other payables of the Group mainly comprise of the followings:

(i) An amount of RM3,995,096 (2021: RM4,995,396) for equity interest acquisition from non-controlling interests.

(ii) An amount of RM2,689,003 (2021: RM2,689,003) provided for settlement with the purchasers of a development project of a subsidiary in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.

(c) Provisions

The movements of the provision are as follows:

	Group	
	2022 RM	2021 RM
At 1 January	61,992,360	47,614,488
Additional	80,331,180	22,016,664
Utilisation	(6,375,292)	(1,978,145)
Reversal	(6,005,058)	(5,678,489)
Exchange differences	(13,490)	17,842
At 31 December	129,929,700	61,992,360

30. Retirement benefits obligations

The unfunded non-contributory scheme is administered by Human Resource Department ("HRD"), with contributions made out of the Company's general revenues as and when members are entitled. Under the Scheme, eligible employees are entitled to a lump sum, upon normal retirement age, calculated based on variable multiplications of the final salary scheme based on service years.

The amount recognised in the statement of financial positions were determined as follows:

	Group	
	2022 RM	2021 RM
Present value of unfunded defined benefit obligations	5,686,642	–

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30. Retirement benefits obligations (Cont'd)

(i) The movements in the net defined benefit liabilities were as follows:

	Group 2022 RM	2021 RM
Present value of unfunded defined benefit obligations		
At 1 January	–	–
Additions	5,686,642	–
At 31 December	5,686,642	–

(ii) Principal actuarial assumptions used for determination of the defined benefits obligation are as follows:

	Group 2022 %	2021 %
Discount rate	5.0	–

The discount rate is determined based on the values of Malaysian Government Securities and Private Debt Securities with AA ratings yield with 10 years weighted average duration.

(iii) The sensitivity analysis below has been derived based on changes to individual assumptions, with all other assumptions held constant:

	Discount rate Increase by 1%	Decrease by 1%
At 31 December 2022		
(Decrease)/Increase in defined benefit obligations	(433,174)	483,944

The sensitivity analysis presented above may not be representative of the actual changes in defined benefit obligation as is unlikely that the change in assumption would occur in isolation to one another as some assumptions may be correlated.

No changes were made to the methods and types of assumptions used in preparing the sensitivity analysis for the current financial year.

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31. Lease Liabilities

	Group	
	2022 RM	2021 RM
At 1 January	32,867,429	37,942,448
Additions	8,130,967	10,481,285
Payments	(16,597,697)	(17,698,986)
Accretion of interest	1,734,204	2,140,137
Expiration of lease contracts	(17,811)	–
Exchange differences	2,219	2,545
At 31 December	26,119,311	32,867,429
Presented as:		
31 December		
Non-current	11,424,771	18,805,324
Current	14,694,540	14,062,105
	26,119,311	32,867,429

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	Group	
	2022 RM	2021 RM
Within one year	15,709,431	15,494,422
Between one and two years	7,812,500	13,241,138
Between two and five years	3,949,866	6,407,003
After five years	202,597	–
	27,674,394	35,142,563
Less: Future finance charges	(1,555,083)	(2,275,134)
Present value of lease liabilities	26,119,311	32,867,429

The Group leases various land, buildings, office equipment, furniture and fittings, renovations, plant and equipment and motor racing circuits. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at the reporting date range from 1.94% to 6.27% (2021: 2.02% to 8.66%) per annum.

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32. Bank borrowings

	Group	
	2022 RM	2021 RM
Secured		
Floating rates:		
Bridging loans	154,875,429	312,452,820
Term loans	323,638,962	334,313,168
Revolving credits	276,068,578	237,600,213
Trade services	3,519,387	12,566,677
Total bank borrowings	758,102,356	896,932,878
Analysed as:		
Repayable within twelve months		
Floating rates:		
Bridging loans	123,938,424	197,013,830
Term loans	144,855,132	121,612,095
Revolving credits	276,068,578	237,600,213
Trade services	3,519,387	12,566,677
	548,381,521	568,792,815
Repayable after twelve months		
Floating rates:		
Bridging loans	30,937,005	115,438,990
Term loans	178,783,830	212,701,073
	209,720,835	328,140,063
Total bank borrowings	758,102,356	896,932,878

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32. Bank borrowings (Cont'd)

	Company	
	2022	2021
	RM	RM
Secured		
Floating rates:		
Term loans	128,218,955	84,229,705
Revolving credits	76,955,000	78,205,878
Total bank borrowings	205,173,955	162,435,583
Analysed as:		
Repayable within twelve months		
Floating rates:		
Term loans	108,323,455	53,979,705
Revolving credits	76,955,000	78,205,878
	185,278,455	132,185,583
Repayable after twelve months		
Floating rates:		
Term loans	19,895,500	30,250,000
Total bank borrowings	205,173,955	162,435,583

The banking facilities of the Group and of the Company obtained from licensed banks are secured by the followings:

(a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
(b) fixed charge over certain capital work-in-progress as disclosed in Note 6;
(c) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
(d) fixed charge over certain inventories of subsidiaries as disclosed in Note 7(b);
(e) fixed charge over certain investment properties and/or legal assignment of tenancy agreements over certain investment properties as disclosed in Note 8(a);
(f) legal assignment of cash flows and/or insurance proceeds and/or sale proceeds and/or performance bonds in relation to projects being developed and constructed by subsidiaries;
(g) certain securities listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") as disclosed in Note 9(a);
(h) pledged of fixed deposits as disclosed in Note 20;
(i) corporate guarantees provided by the Company and/or certain subsidiaries; and
(j) debenture by way of fixed and floating charge over all present and future assets belonging to subsidiaries.

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32. Bank borrowings (Cont'd)

Maturities of bank borrowings are as follows:

	Group 2022 RM	Group 2021 RM
Within one year	548,381,521	568,792,815
Between one and two years	68,928,447	184,821,520
Between two and three years	55,263,223	51,635,164
Between three and four years	26,578,727	24,970,593
Between four and five years	15,904,789	15,344,680
After five years	43,045,649	51,368,106
	758,102,356	896,932,878

	Company 2022 RM	Company 2021 RM
Within one year	185,278,455	132,185,583
Between one and two years	18,645,500	19,000,000
Between two and three years	1,250,000	11,250,000
	205,173,955	162,435,583

The range of effective interest rates per annum of the Group and of the Company as at 31 December 2022 are as follows:

	Group 2022 %	Group 2021 %
Bridging loans	5.53 - 7.08	4.40 - 6.08
Term loans	4.10 - 9.75	3.15 - 9.00
Revolving credits	5.15 - 6.80	4.15 - 5.81
Trade services	5.35 - 7.39	5.95 - 6.57

	Company 2022 %	Company 2021 %
Term loans	4.10 - 9.15	4.01 - 9.00
Revolving credits	5.29 - 6.80	4.15 - 4.69

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33. Sukuk Murabahah ("Sukuk")

	Group 2022 RM	Group 2021 RM
Secured		
Repayable within twelve months	4,452,000	13,952,000
Repayable after twelve months	50,818,000	61,670,000
Total Sukuk	55,270,000	75,622,000

Maturities of Sukuk are as follows:

	Group 2022 RM	Group 2021 RM
Within one year	4,452,000	13,952,000
Between one and two years	7,302,000	13,952,000
Between two and three years	5,282,000	9,202,000
Between three and four years	6,112,000	4,452,000
Between four and five years	6,112,000	4,452,000
After five years	26,010,000	29,612,000
	55,270,000	75,622,000

On 15 December 2017, a subsidiary established a Sukuk Murabahah Programme ("Programme") of up to RM500 million in nominal value with a tenure of up to 20 years from the first issuance date.

On 10 January 2018, the subsidiary made its first issuance pursuant to the Programme for an amount of RM5.0 million at its nominal value that carries profit rates ranging from 7.97% to 8.22% per annum. It was repaid in full on 10 January 2019.

On 12 February 2018, the subsidiary made a second issuance of RM28.5 million pursuant to the Programme at its nominal value that carries profit rates ranging from 6.53% to 6.54% per annum. It is repayable in 6 semi-annually principal payments commencing from 11 August 2021. As at 31 December 2022, a sum at RM25.6 million has been repaid.

On 26 July 2018 and 21 August 2018, the subsidiary made a third issuance of RM67.0 million pursuant to the Programme at its nominal value that carries profit rates ranging from 6.53% to 6.54% per annum. It is repayable in 180 monthly principal payments commencing on subsequent months from their issuance dates. As at 31 December 2022, a sum at RM19.6 million has been repaid.

On 28 January 2022, the subsidiary made a fourth issuance of RM5.0 million pursuant to the Programme at its nominal value that carries profit rates ranging from 5.35% to 6.44% per annum. It is repayable in 6 semi-annually principal payments commencing from 25 July 2025.

The Sukuk is secured by the followings:

(a) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
(b) legal assignment of cashflows or insurance proceeds in relation to projects being developed by subsidiaries; and
(c) corporate guarantees provided by the Company and certain subsidiaries.

The effective interest rate as at 31 December 2022 is 6.44% to 6.45% (2021: 5.35%) per annum.

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34. Bank Overdrafts

	Group 2022 RM	Group 2021 RM
Secured		
Repayable within twelve months	77,747,419	75,838,746

	Company 2022 RM	Company 2021 RM
Secured		
Repayable within twelve months	2,549,390	2,330,998

The bank overdrafts obtained from licensed banks are secured by the followings:

(a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
(b) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
(c) fixed charge over certain investment properties as disclosed in Note 8(a);
(d) pledged of fixed deposits as disclosed in Note 20;
(e) certain securities listed on Bursa Securities as disclosed in Notes 9(a);
(f) fixed charge over certain inventories of subsidiaries as disclosed in Note 7(b); and
(g) corporate guarantees provided by the Company and certain subsidiaries.

The range of effective interest rates per annum of the Group and of the Company as at 31 December 2022 is as follows:

	Group 2022 %	Group 2021 %
Bank overdrafts	5.40 - 7.92	5.47 - 6.92

	Company 2022 %	Company 2021 %
Bank overdrafts	6.35 - 7.35	6.35

NOTES TO THE FINANCIAL STATEMENTS
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35. Revenue

	Group 2022 RM	Group 2021 RM
Revenue from contracts with customers		
Property development	1,507,082,795	1,194,089,076
Completed properties	147,053,242	108,209,175
Construction and trading	35,235,399	34,237,381
Racing circuit development and management	8,263,373	12,426,038
Management fees from third parties	762,319	304,554
Hotel	11,103,817	1,983,177
Rendering of services	1,312,828	897,469
	1,710,813,773	1,352,146,870
Revenue from other sources		
Retail mall	6,465,731	4,770,043
Racing circuit development and management	6,577,887	8,840,071
	13,043,618	13,610,114
	1,723,857,391	1,365,756,984

	Company 2022 RM	Company 2021 RM
Revenue from other source		
Dividends from subsidiaries	23,175,318	63,000,000

	Group 2022 RM	Group 2021 RM
Timing of revenue recognition		
At a point in time	206,439,892	140,154,355
Over time	1,504,373,881	1,211,992,515
Total revenue from contracts with customers	1,710,813,773	1,352,146,870

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35. Revenue (Cont'd)

Set below is the disaggregation of the Group's revenue from contracts with customers:

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
Group							
2022							
Major goods and services							
Property development	1,507,082,795	–	–	–	–	–	1,507,082,795
Sale of goods	147,053,242	31,120,575	–	–	–	–	178,173,817
Construction contract services	–	4,114,824	–	–	–	–	4,114,824
Racing circuit development and management	–	–	–	8,263,373	–	–	8,263,373
Hotel	–	–	–	–	11,103,817	–	11,103,817
Rendering of services	–	–	762,319	–	–	1,312,828	2,075,147
Total revenue from contracts with customers	1,654,136,037	35,235,399	762,319	8,263,373	11,103,817	1,312,828	1,710,813,773
Group							
2021							
Major goods and services							
Property development	1,194,089,076	–	–	–	–	–	1,194,089,076
Sale of goods	108,209,175	19,361,802	–	–	–	–	127,570,977
Construction contract services	–	14,875,579	–	–	–	–	14,875,579
Racing circuit development and management	–	–	–	12,426,038	–	–	12,426,038
Hotel	–	–		–	1,983,177	–	1,983,177
Rendering of services	–	–	304,554	–	–	897,469	1,202,023
Total revenue from contracts with customers	1,302,298,251	34,237,381	304,554	12,426,038	1,983,177	897,469	1,352,146,870

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

35. Revenue (Cont'd)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
Group							
2022							
Geographical market							
Malaysia	1,654,136,037	35,235,399	762,319	–	11,103,817	1,312,828	1,702,550,400
People's Republic of China	–	–	–	8,263,373	–	–	8,263,373
Total revenue from contracts with customers	1,654,136,037	35,235,399	762,319	8,263,373	11,103,817	1,312,828	1,710,813,773
2021							
Geographical market							
Malaysia	1,302,298,251	34,237,381	304,554	–	1,983,177	897,469	1,339,720,832
People's Republic of China	–	–	–	12,426,038	–	–	12,426,038
Total revenue from contracts with customers	1,302,298,251	34,237,381	304,554	12,426,038	1,983,177	897,469	1,352,146,870

36. Cost of Sales

	Group 2022 RM	Group 2021 RM
Property development	1,051,310,154	784,659,467
Completed properties	132,012,791	94,121,144
Construction and trading	45,224,601	31,860,084
Racing circuit development and management	4,225,949	6,409,853
Hotel	2,793,950	274,643
Retail mall	4,055,896	3,237,847
Rendering of services	394,713	423,880
	1,240,018,054	920,986,918

NOTES TO THE FINANCIAL STATEMENTS
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37. Finance Costs

	Group 2022 RM	Group 2021 RM
Interest expenses on:		
Term loans	19,887,152	21,359,578
Bank overdrafts	4,560,520	4,526,299
Sukuk	3,967,394	4,325,571
Bridging loans	11,324,087	12,703,624
Revolving credits	13,415,603	11,552,928
Lease liabilities	1,734,204	2,140,137
Trade services	337,791	527,499
Unwinding interest	5,822,666	5,523,703
Others	1,273,017	1,515,298
	62,322,434	64,174,637
Less: Interest capitalised in:		
- Cost sharing with landowner	(325,609)	(877,825)
- Land held for property development and property development costs [Note 7(a)(ii)]	(1,658,970)	(1,806,632)
- Construction contracts [Note 16(a)]	(816,540)	–
	59,521,315	61,490,180

	Company 2022 RM	Company 2021 RM
Interest expenses on:		
Term loans	8,311,152	7,347,862
Bank overdrafts	187,352	144,752
Revolving credits	3,815,527	3,034,974
Advances from a subsidiary	832	46,246
	12,314,863	10,573,834
Less:		
Cost sharing by subsidiaries	–	(3,857,785)
	12,314,863	6,716,049

NOTES TO THE FINANCIAL STATEMENTS
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38. Profit before Tax

Profit before tax is arrived at after charging/(crediting):

	Group	
	2022 RM	2021 RM
Allowance for impairment losses on:		
- Goodwill arising on consolidation	6,693,781	25,121,364
- Investment in associates	–	14,197
- Investment properties	603,586	398,033
- Other investments	63,000	8,000
- Property, plant and equipment	–	5,601
- Right-of-use assets	–	749,185
- Trade and other receivables	1,021,738	3,064,095
Amortisation of intangible assets	–	347,177
Auditors' remuneration		
- Statutory	968,749	937,217
- Others	73,650	77,992
- (Over)/Under provision in prior years	(4,500)	14,400
Bad debts written off	676,202	1,644,970
Bad debts written off - Amount due from a subsidiary under strike off	–	100
Capital work-in-progress written off	1,618,185	–
Deposits written off	424,165	812,419
Depreciation of:		
- Investment properties	2,333,019	2,265,407
- Property, plant and equipment	13,140,247	12,493,767
- Right-of-use assets	25,173,159	24,905,697
Fair value adjustment on trade receivables	75,063	(28,075)
Inventories written down to net realisable value	–	5,188,800
Inventories written off	3,607	–
Land held for property development written down	17,500,000	–
Lease expenses relating to short-term leases:		
- Rental of premises	38,400	23,113
- Rental of office equipment	67,803	39,008
- Rental of car park	12,750	–

NOTES TO THE FINANCIAL STATEMENTS
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38. Profit before Tax (Cont'd)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Group 2022 RM	Group 2021 RM
Non-Executive Directors' remuneration:		
Company's Directors		
- Fees	240,000	173,400
- Other emoluments	227,500	2,195,000
- Social security contributions	–	99
- Other benefits	6,472	7,742
Subsidiaries' Directors		
- Fees	363,650	370,770
- Other emoluments	17,650	24,250
Net foreign exchange loss/(gain)		
- Realised	1,427,513	1,037,318
- Unrealised	(78,226)	4,958,744
Prepayments written off	214,190	192,410
Property, plant and equipment written off	314,364	177,616
Property development costs written off	296,833	12,744,321
Provision for retirement benefits	5,686,642	–
Provision for staff economic compensation	86,173	–
Waiver of debts of an associate	–	1,350
Waiver of interest income	1,981,605	630,166
Dividend income from financial assets measured at FVTPL	–	(5,416)
(Gain)/Loss on disposal of:		
- Assets held for sale	(61,575)	(398,108)
- Associate	18,875	–
- Subsidiary	(599,738)	–
- Property, plant and equipment	14,279	(26,857)
- Right-to-use assets	(292,863)	(314,874)
Fair value gain on revaluation of financial assets measured at FVTPL	(820)	(273)
Interest income from:		
- Licensed banks	(3,314,877)	(1,763,787)
- Trade receivables	(58,036)	(657,794)
- Others	(774,215)	(619,032)
Net (gain)/loss on strike off:		
- Subsidiaries	(12,923)	727,762
- Associate	8,077	11,697
Provision for property development costs no longer required	(6,005,058)	(5,678,489)
Provision for staff economic compensation no longer required	–	(17,943)
Recover of bad debts	(361,520)	(61,043)
Rental income from:		
- Investment properties	(2,110,542)	(1,400,895)
- Completed properties	(2,577,069)	(1,712,108)
- Others	(2,285,022)	(1,316,510)
Reversal of allowance for impairment losses on:		
- Investment in an associate	(109,314)	(40)
- Trade and other receivables	(5,430,763)	(3,037,770)
Wages subsidy	(318,280)	(1,244,360)
Waiver of debts	–	(174,648)

38. Profit before Tax (Cont'd)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Company 2022 RM	Company 2021 RM
Auditors' remuneration		
- Statutory	115,000	110,000
- Others	26,000	26,000
- Over provision in prior years	–	(5,000)
Bad debts written off - Amount due from a subsidiary under strike off	–	2,140
Depreciation on property, plant and equipment	450	450
Loss of strike off subsidiaries	–	447
Non-Executive Directors' remuneration:		
Company's Directors		
- Fees	240,000	173,400
- Salaries and other emoluments	191,500	29,000
- Other benefits	6,472	15,507
Gain on disposal of equity interest in a subsidiary	–	(5,367,600)
Interest income from:		
- Advances to subsidiaries	(26,522,994)	(12,462,900)
- Licensed banks	(30,953)	(4,816)
- Others	(452)	–
Reversal of allowance for impairment losses on:		
- Amount due from a subsidiary	–	(4,758)
- Investment in a subsidiary	–	(3,578,530)

The Group's and Company's non-executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM12,229 (2021: RM34,359).

39. Taxation

	Group 2022 RM	Group 2021 RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	90,940,815	70,881,267
Under provision in prior years	7,939,072	2,057,862
	98,879,887	72,939,129
Deferred tax: (Note 15)		
Relating to origination and reversal of temporary differences	(7,792,813)	1,685,755
Crystallisation of deferred tax	(1,778,706)	(1,746,951)
Under provision in prior years	(9,895,636)	(10,991,738)
	(19,467,155)	(11,052,934)
	79,412,732	61,886,195

NOTES TO THE FINANCIAL STATEMENTS
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39. Taxation (Cont'd)

	Company 2022 RM	Company 2021 RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	3,158,517	572,776
Under/(Over) provision in prior years	25,818	(376,495)
	3,184,335	196,281

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group 2022 RM	Group 2021 RM
Profit before tax	216,927,247	176,807,747
At Malaysian statutory tax rate of 24% (2021: 24%)	52,062,539	42,433,859
Crystallisation of deferred tax	(1,778,706)	(1,746,951)
Differential in tax rate in other jurisdiction	(5,064)	(3,865)
Subsidiary companies domiciled in tax heaven country	112,554	11,464
Income not subject to tax	(2,415,284)	(1,639,436)
Expenses not deductible for tax purposes	29,452,127	31,087,656
Perpetual Sukuk distribution	(3,646,331)	(2,121,600)
Deferred tax assets not recognised	9,176,652	6,846,605
Utilisation of previously unrecognised tax losses and capital allowances	(1,589,191)	(4,047,661)
Under provision of income tax in prior years	7,939,072	2,057,862
Under provision of deferred tax in prior years	(9,895,636)	(10,991,738)
Tax expenses for the financial year	79,412,732	61,886,195

	Company 2022 RM	Company 2021 RM
Profit before tax	33,914,833	72,725,062
At Malaysian statutory tax rate of 24% (2021: 24%)	8,139,560	17,454,015
Expenses not deductible for tax purposes	4,227,364	2,508,574
Perpetual Sukuk distribution	(3,646,331)	(2,121,600)
Income not subject to tax	(5,562,076)	(17,268,213)
Under/(Over) provision of income tax in prior years	25,818	(376,495)
Tax expenses for the financial year	3,184,335	196,281

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

39. Taxation (Cont'd)

The Group has estimated unutilised capital allowances and unused tax losses carry forward, available for offset against future taxable profits as follows:

	Group 2022 RM	Group 2021 RM
Unutilised capital allowances	51,656,874	39,903,708
Unused tax losses	138,007,559	121,808,994
	189,664,433	161,712,702

For the Malaysian entities, pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (i.e.: from year of assessment 2019 to 2028) under the current tax legislation.

The unused tax losses of the People's Republic of China ("PRC") will only be available for carry forward for a period of five (5) consecutive years.

The unused tax losses of the Hong Kong ("HK") can be carried forward indefinitely.

The unutilised capital allowances are allowed to be carried forward indefinitely.

The recognised and unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	Group 2022 RM	Group 2021 RM
Unused tax losses:		
- expiring within five years	9,985,457	3,117,423
- expiring more than five years	127,987,379	118,656,848
- no expiry period	34,723	34,723
	138,007,559	121,808,994
Unutilised capital allowance	51,656,874	39,903,708
	189,664,433	161,712,702

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40. Earnings per Share

(a) Basic earnings per share

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

	Group	
	2022 RM	2021 RM
Net profit for the financial year attributable to owners of the parent	128,538,935	95,618,980
Less:		
- Dividends on RCPS	(6,210,536)	(6,210,536)
- Distribution to Perpetual Sukuk holders	(15,193,047)	(8,840,000)
Net profit for the financial year attributable to ordinary equity holders	107,135,352	80,568,444

	Group	
	2022 Units	2021 Units
Weighted average number of ordinary shares in issue		
- Ordinary shares in issue as at 1 January	1,569,245,151	1,569,245,151
- Effect of treasury shares held	(10,743,975)	(7,735,784)
Weighted average number of ordinary shares as at 31 December	1,558,501,176	1,561,509,367
Basic earnings per share (sen)	6.87	5.16

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40. Earnings per Share (Cont'd)

(b) Diluted earnings per share

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

	Group 2022 RM	Group 2021 RM
Net profit for the financial year attributable to owners of the parent	128,538,935	95,618,980
Less:		
- Dividends on RCPS	(6,210,536)	(6,210,536)
- Distribution to Perpetual Sukuk holders	(15,193,047)	(8,840,000)
Net profit for the financial year attributable to ordinary equity holders	107,135,352	80,568,444

	Group 2022 Units	Group 2021 Units
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,558,501,176	1,561,509,367
Weighted average number of ordinary shares deemed issued at no consideration		
- ESOS	^	97,970
- RCPS	*	*
Adjusted weighted average number of ordinary shares as at 31 December	1,558,501,176	1,561,607,337
Diluted earnings per share (sen)	6.87	5.16

^ The Company's ESOS has expired on 17 September 2022.
* The number of shares under RCPS was not taken into account in the computation of diluted earnings per share as the RCPS do not have any dilutive effect on the weighted average number of ordinary shares.

41. Employees' Share Option Scheme

The Company has established Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS shall be in force for a period of 10 years from 18 September 2012 to 17 September 2022. On 17 September 2022, all remaining unexercised 13,557,270 ESOS options standing in the Register of Option Holders have lapsed and therefore, became null, void and ceased to be exercisable with effect from 17 September 2022.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

41. Employees' Share Option Scheme (Cont'd)

The salient features of the ESOS are as follows:

(a) Eligible employees include Directors of the Company and confirmed full time employees of the Company and its eligible subsidiaries or under a fixed term employment contract, the contract should be for a duration of at least one (1) year, whom must be a Malaysian citizen, shall have attained the age of eighteen (18) years old and have served for at least one year of full continuous service in the Group.

(b) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS.

(c) The new Company's shares of RM1.00 each ("new Shares") to be allotted and issued upon the exercise of the ESOS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares of RM1.00 each save and except that the said new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the said new Shares.

(d) The ESOS shall be in force for a period of ten years.

(e) The option is personal to the grantee and is non-assignable.

(f) The option price shall be determined at a discount of not more than 10% from the weighted average market price of the Company's ordinary shares of RM1.00 each for five (5) market days preceding the date of offer, or the par value of the shares, whichever is higher.

(g) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.

(h) The options granted may be exercised, subject to the maximum limit of options exercisable in each particular year, at any time within a period of ten years from the date of offer of the option or such period as may be specifically stated in the offer upon giving notice in writing.

(i) The persons to whom the options have been granted shall not participate in more than one Employees' Share Option Scheme implemented by any company within the Group.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional ESOS of 10,958,400 have been granted to eligible Directors and employees of the Group. The exercise prices for all the ESOS have been adjusted accordingly ("adjusted exercise price").

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41. Employees' Share Option Scheme (Cont'd)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows:

	At 1 January	Granted	Forfeited	Exercised	Lapsed	At 31 December	Exercisable at 31 December
2022							
ESOS							
First Grant	100,100	–	–	–	(100,100)	–	–
Second Grant	633,050	–	–	–	(633,050)	–	–
Third Grant	2,420	–	(2,420)	–	–	–	–
Fourth Grant	222,420	–	–	–	(222,420)	–	–
Fifth Grant	297,110	–	(18,700)	–	(278,410)	–	–
Sixth Grant	72,930	–	–	–	(72,930)	–	–
Seventh Grant	–	–	–	–	–	–	–
Eighth Grant	65,410	–	–	–	(65,410)	–	–
Ninth Grant	–	–	–	–	–	–	–
Tenth Grant	759,220	–	–	–	(759,220)	–	–
Eleventh Grant	130,900	–	–	–	(130,900)	–	–
Twelfth Grant	198,580	–	–	–	(198,580)	–	–
Thirteenth Grant	235,620	–	–	–	(235,620)	–	–
Fourteenth Grant	88,330	–	(11,660)	–	(76,670)	–	–
Fifteenth Grant	1,420,980	–	–	–	(1,420,980)	–	–
Sixteenth Grant	222,640	–	–	–	(222,640)	–	–
Seventeenth Grant	109,900	–	(18,700)	–	(91,200)	–	–
Eighteenth Grant	39,160	–	–	–	(39,160)	–	–
Nineteenth Grant	36,960	–	–	–	(36,960)	–	–
Twentieth Grant	85,800	–	–	–	(85,800)	–	–
Twenty-First Grant	–	–	–	–	–	–	–
Twenty-Second Grant	29,920	–	–	–	(29,920)	–	–
Twenty-Third Grant	1,254,770	–	–	–	(1,254,770)	–	–
Twenty-Fourth Grant	181,500	–	–	–	(181,500)	–	–
Twenty-Fifth Grant	80,520	–	–	–	(80,520)	–	–
Twenty-Sixth Grant	334,620	–	(261,800)	–	(72,820)	–	–
Twenty-Seventh Grant	18,700	–	(18,700)	–	–	–	–
Twenty-Eighth Grant	1,060	–	–	–	(1,060)	–	–
Twenty-Ninth Grant	12,100	–	–	–	(12,100)	–	–
Thirtieth Grant	–	–	–	–	–	–	–
Thirty-First Grant	5,720	–	–	–	(5,720)	–	–
Thirty-Second Grant	84,540	–	–	–	(84,540)	–	–
Thirty-Third Grant	–	–	–	–	–	–	–
Thirty-Fourth Grant	56,100	–	–	–	(56,100)	–	–
Thirty-Fifth Grant	1,095,890	–	–	–	(1,095,890)	–	–

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41. Employees' Share Option Scheme (Cont'd)

Movements in the number of share options outstanding and their related WAEP are as follows: (Cont'd)

	At 1 January	Granted	Forfeited	Exercised	Lapsed	At 31 December	Exercisable at 31 December
2022							
ESOS (Cont'd)							
Thirty-Sixth Grant	181,060	–	–	–	(181,060)	–	–
Thirty-Seventh Grant	14,960	–	(7,480)	–	(7,480)	–	–
Thirty-Eighth Grant	345,840	–	(261,800)	–	(84,040)	–	–
Thirty-Ninth Grant	18,700	–	–	–	(18,700)	–	–
Fortieth Grant	647,020	–	–	–	(647,020)	–	–
Forty-First Grant	310,200	–	(33,660)	–	(276,540)	–	–
Forty-Second Grant	87,780	–	–	–	(87,780)	–	–
Forty-Third Grant	88,660	–	–	–	(88,660)	–	–
Forty-Fourth Grant	46,640	–	–	–	(46,640)	–	–
Forty-Fifth Grant	37,060	–	(5,500)	–	(31,560)	–	–
Forty-Sixth Grant	2,035,440	–	–	–	(2,035,440)	–	–
Forty-Seventh Grant	395,140	–	–	–	(395,140)	–	–
Forty-Eighth Grant	595,540	–	(7,480)	–	(588,060)	–	–
Forty-Ninth Grant	1,876,380	–	(352,220)	–	(1,524,160)	–	–
Fiftieth Grant	*	*	*	*	*	*	*
	14,557,390	–	(1,000,120)	–	(13,557,270)	–	–
WAEP	1.54	–	1.53	–	1.54	–	–

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

	Number of share options over ordinary shares					
	At 1 January	Granted	Forfeited	Exercised	At 31 December	Exercisable at 31 December
2021						
ESOS						
First Grant	100,210	–	(110)	–	100,100	100,100
Second Grant	633,160	–	(110)	–	633,050	633,050
Third Grant	2,420	–	–	–	2,420	2,420
Fourth Grant	228,030	–	(5,610)	–	222,420	222,420
Fifth Grant	297,110	–	–	–	297,110	297,110
Sixth Grant	78,430	–	(5,500)	–	72,930	72,930
Seventh Grant	–	–	–	–	–	–
Eighth Grant	65,410	–	–	–	65,410	65,410
Ninth Grant	–	–	–	–	–	–
Tenth Grant	759,220	–	–	–	759,220	759,220
Eleventh Grant	130,900	–	–	–	130,900	130,900
Twelfth Grant	198,580	–	–	–	198,580	198,580
Thirteenth Grant	235,620	–	–	–	235,620	235,620

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41. Employees' Share Option Scheme (Cont'd)

Movements in the number of share options outstanding and their related WAEP are as follows: (Cont'd)

	Number of share options over ordinary shares					
	At 1 January	Granted	Forfeited	Exercised	At 31 December	Exercisable at 31 December
2021						
ESOS (Cont'd)						
Fourteenth Grant	88,330	–	–	–	88,330	88,330
Fifteenth Grant	1,420,980	–	–	–	1,420,980	1,420,980
Sixteenth Grant	293,700	–	(71,060)	–	222,640	222,640
Seventeenth Grant	109,900	–	–	–	109,900	109,900
Eighteenth Grant	46,640	–	(7,480)	–	39,160	39,160
Nineteenth Grant	36,960	–	–	–	36,960	36,960
Twentieth Grant	90,200	–	(4,400)	–	85,800	85,800
Twenty-First Grant	–	–	–	–	–	–
Twenty-Second Grant	29,920	–	–	–	29,920	29,920
Twenty-Third Grant	1,260,490	–	(5,720)	–	1,254,770	1,254,770
Twenty-Fourth Grant	181,500	–	–	–	181,500	181,500
Twenty-Fifth Grant	80,520	–	–	–	80,520	80,520
Twenty-Sixth Grant	334,620	–	–	–	334,620	334,620
Twenty-Seventh Grant	24,200	–	(5,500)	–	18,700	18,700
Twenty-Eighth Grant	12,280	–	(11,220)	–	1,060	1,060
Twenty-Ninth Grant	12,100	–	–	–	12,100	12,100
Thirtieth Grant	–	–	–	–	–	–
Thirty-First Grant	5,720	–	–	–	5,720	5,720
Thirty-Second Grant	84,540	–	–	–	84,540	84,540
Thirty-Third Grant	–	–	–	–	–	–
Thirty-Fourth Grant	63,580	–	(7,480)	–	56,100	56,100
Thirty-Fifth Grant	1,105,130	–	(9,240)	–	1,095,890	1,095,890
Thirty-Sixth Grant	181,060	–	–	–	181,060	181,060
Thirty-Seventh Grant	14,960	–	–	–	14,960	14,960
Thirty-Eighth Grant	345,840	–	–	–	345,840	345,840
Thirty-Ninth Grant	24,420	–	(5,720)	–	18,700	18,700
Fortieth Grant	663,740	–	(16,720)	–	647,020	647,020
Forty-First Grant	310,200	–	–	–	310,200	310,200
Forty-Second Grant	87,780	–	–	–	87,780	87,780
Forty-Third Grant	88,660	–	–	–	88,660	88,660
Forty-Fourth Grant	80,300	–	(33,660)	–	46,640	46,640
Forty-Fifth Grant	44,540	–	(7,480)	–	37,060	37,060
Forty-Sixth Grant	2,184,820	–	(149,380)	–	2,035,440	2,035,440
Forty-Seventh Grant	447,500	–	(52,360)	–	395,140	395,140
Forty-Eighth Grant	1,039,280	–	(443,740)	–	595,540	595,540
Forty-Ninth Grant	2,035,220	–	(158,840)	–	1,876,380	1,876,380
Fiftieth Grant	*	*	*	*	*	*
	15,558,720	–	(1,001,330)	–	14,557,390	14,557,390
WAEP	1.55	–	1.72	–	1.54	1.54

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

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41. Employees' Share Option Scheme (Cont'd)

Details of share options outstanding at the end of the reporting period are as follows:

Share Options	Original exercise prices 2022 RM	Original exercise prices 2021 RM	Adjusted exercise prices* RM	Exercise periods	Original fair value of share options at grant date 2022 RM	Original fair value of share options at grant date 2021 RM	Adjusted fair value of share options at grant date RM
ESOS							
First Grant	–	1.00	0.46	18.09.2012 - 17.09.2022	–	0.12	0.06
Second Grant	–	1.08	0.51	01.07.2013 - 17.09.2022	–	0.33	0.16
Third Grant	–	1.22	0.56	01.08.2013 - 17.09.2022	–	0.39	0.19
Fourth Grant	–	1.46	0.67	01.09.2013 - 17.09.2022	–	0.77	0.35
Fifth Grant	–	1.69	0.78	01.10.2013 - 17.09.2022	–	1.07	0.49
Sixth Grant	–	1.61	0.74	01.11.2013 - 17.09.2022	–	1.10	0.50
Seventh Grant	–	1.50	0.69	01.12.2013 - 17.09.2022	–	1.03	0.47
Eighth Grant	–	1.43	0.66	01.01.2014 - 17.09.2022	–	0.96	0.43
Ninth Grant	–	1.35	0.62	01.02.2014 - 17.09.2022	–	0.91	0.41
Tenth Grant	–	1.55	0.71	01.03.2014 - 17.09.2022	–	1.04	0.47
Eleventh Grant	–	1.55	0.71	01.04.2014 - 17.09.2022	–	1.09	0.50
Twelfth Grant	–	1.61	0.74	01.05.2014 - 17.09.2022	–	1.07	0.49
Thirteenth Grant	–	1.56	0.71	01.06.2014 - 17.09.2022	–	1.03	0.47
Fourteenth Grant	–	1.54	0.71	01.07.2014 - 17.09.2022	–	0.70	0.32
Fifteenth Grant	–	1.54	0.71	01.08.2014 - 17.09.2022	–	0.74	0.34
Sixteenth Grant	–	1.52	0.70	01.09.2014 - 17.09.2022	–	0.70	0.32
Seventeenth Grant	–	1.53	0.71	01.10.2014 - 17.09.2022	–	0.71	0.32
Eighteenth Grant	–	1.48	0.68	01.11.2014 - 17.09.2022	–	0.68	0.31
Nineteenth Grant	–	1.51	0.70	01.12.2014 - 17.09.2022	–	0.59	0.27
Twentieth Grant	–	1.44	0.66	01.01.2015 - 17.09.2022	–	0.62	0.28
Twenty-First Grant	–	1.40	0.64	01.02.2015 - 17.09.2022	–	0.55	0.25
Twenty-Second Grant	–	1.40	0.64	01.03.2015 - 17.09.2022	–	0.52	0.24
Twenty-Third Grant	–	1.35	0.62	01.04.2015 - 17.09.2022	–	0.63	0.28
Twenty-Fourth Grant	–	1.40	0.64	01.05.2015 - 17.09.2022	–	0.61	0.28
Twenty-Fifth Grant	–	1.48	0.68	01.06.2015 - 17.09.2022	–	0.65	0.29
Twenty-Sixth Grant	–	1.44	0.66	01.07.2015 - 17.09.2022	–	0.61	0.28
Twenty-Seventh Grant	–	1.33	0.61	01.08.2015 - 17.09.2022	–	0.57	0.17
Twenty-Eighth Grant	–	1.18	0.54	01.09.2015 - 17.09.2022	–	0.43	0.20
Twenty-Ninth Grant	–	1.33	0.61	01.10.2015 - 17.09.2022	–	0.52	0.27
Thirtieth Grant	–	1.29	0.60	01.11.2015 - 17.09.2022	–	0.52	0.27
Thirty-First Grant	–	1.23	0.57	01.12.2015 - 17.09.2022	–	0.48	0.22
Thirty-Second Grant	–	1.28	0.59	01.01.2016 - 17.09.2022	–	0.51	0.23
Thirty-Third Grant	–	1.22	0.56	01.02.2016 - 17.09.2022	–	0.46	0.21
Thirty-Fourth Grant	–	1.21	0.56	01.03.2016 - 17.09.2022	–	0.46	0.21
Thirty-Fifth Grant	–	1.42	0.65	01.04.2016 - 17.09.2022	–	0.55	0.25
Thirty-Sixth Grant	–	1.43	0.66	01.05.2016 - 17.09.2022	–	0.56	0.25
Thirty-Seventh Grant	–	1.41	0.65	01.06.2016 - 17.09.2022	–	0.54	0.25
Thirty-Eighth Grant	–	1.40	0.64	01.07.2016 - 17.09.2022	–	0.51	0.23
Thirty-Ninth Grant	–	1.45	0.67	01.08.2016 - 17.09.2022	–	0.50	0.23

41. Employees' Share Option Scheme (Cont'd)

Details of share options outstanding at the end of the reporting period are as follows: (Cont'd)

Share Options	Original exercise prices 2022 RM	Original exercise prices 2021 RM	Adjusted exercise prices* RM	Exercise periods	Original fair value of share options at grant date 2022 RM	Original fair value of share options at grant date 2021 RM	Adjusted fair value of share options at grant date RM
ESOS (Cont'd)							
Fortieth Grant	–	1.45	0.67	01.09.2016 - 17.09.2022	–	0.60	0.27
Forty-First Grant	–	1.61	0.74	01.10.2016 - 17.09.2022	–	0.57	0.26
Forty-Second Grant	–	1.57	0.72	01.11.2016 - 17.09.2022	–	0.54	0.24
Forty-Third Grant	–	1.51	0.70	01.12.2016 - 17.09.2022	–	0.53	0.24
Forty-Fourth Grant	–	1.51	0.70	01.01.2017 - 17.09.2022	–	0.52	0.24
Forty-Fifth Grant	–	1.60	0.73	01.02.2017 - 17.09.2022	–	0.58	0.26
Forty-Sixth Grant	–	1.71	0.79	01.03.2017 - 17.09.2022	–	0.59	0.27
Forty-Seventh Grant	–	1.78	0.81	01.04.2017 - 17.09.2022	–	0.61	0.28
Forty-Eighth Grant	–	1.84	0.84	15.06.2017 - 17.09.2022	–	0.54	0.25
Forty-Ninth Grant	–	1.69	0.78	16.09.2017 - 17.09.2022	–	0.46	0.21

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	Group/Company 2022 RM	Group/Company 2021 RM
Weighted average fair value at grant date	–	0.32
Weighted average share price at grant date	–	1.26
Weighted average exercise price	–	1.18
Expected volatility (%)	–	15.64 - 19.85
Expected option life (years)	–	10
Risk-free interest rate, p.a. (%)	–	3.72 - 3.95
Expected dividend yield (%)	–	1.86 - 2.15

The expected life of the share options is based on historical data that has been adjusted accordingly to the management's best estimate for the effects of non-transferability exercise restriction and behaviours conditions. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome.

No other features of the option grant were incorporated into the measurement of fair value.

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41. Employees' Share Option Scheme (Cont'd)

Executive Directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Number of share options Group/Company	
	2022	2021
ESOS		
At 1 January	5,482,240	5,628,920
Additions *	–	115,120
Forfeited	(785,400)	(261,800)
Lapsed	(4,696,840)	–
At 31 December	–	5,482,240

* Unexercised share options previously granted to new key management personnel.

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

42. Staff Costs

	Group	
	2022 RM	2021 RM
Fees	744,531	678,829
Salaries, gratuity and other emoluments	77,751,890	69,072,814
Defined contribution plans	8,584,256	7,750,177
Social security contributions	1,493,649	1,340,021
Employment insurance scheme	37,224	31,868
Benefits-in-kind	582,036	603,749
Retirement benefit obligations	5,686,642	–
Other benefits	6,368,666	4,269,386
	101,248,894	83,746,844

The Group's staff costs do not include the estimated monetary value of benefits-in-kind amounting to RM1,263,643 (2021: RM1,118,775).

	Company	
	2022 RM	2021 RM
Other benefits	18,942	50,217

NOTES TO THE FINANCIAL STATEMENTS
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42. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year as below:

	Group 2022 RM	Group 2021 RM
Executive Directors		
Company's Directors		
Fees	706,731	678,829
Salaries, gratuity and other emoluments	11,068,746	11,244,627
Defined contribution plans	1,656,274	1,600,481
Social security contributions	4,438	6,118
Employment insurance scheme	213	553
Benefits-in-kind	351,003	466,518
Retirement benefit obligations	4,819,292	–
Other benefits	105,876	43,093
	18,712,573	14,040,219

	Company 2022 RM	Company 2021 RM
Executive Directors		
Company's Directors		
Other benefits	6,631	9,188

	Group 2022 RM	Group 2021 RM
Executive Directors		
Subsidiaries' Directors		
Salaries, gratuity and other emoluments	5,215,308	2,816,970
Defined contribution plans	617,181	250,634
Social security contributions	78,380	63,903
Employment insurance scheme	403	190
Benefits-in-kind	199,554	77,270
Retirement benefit obligations	867,350	–
Other benefits	135,965	75,850
	7,114,141	3,284,817

	Group 2022 RM	Group 2021 RM
Executive Directors		
Company's Directors	18,712,573	14,040,219
Subsidiaries' Directors	7,114,141	3,284,817
	25,826,714	17,325,036

The Group's Executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM571,023 (2021: RM451,523).

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43. Dividends

	Group/Company 2022 RM	Group/Company 2021 RM
Dividends recognised as distribution to shareholders of the Company:		
Ordinary Shares		
In respect of the financial year ended 31 December 2020:		
First and final single-tier dividend of 1.45 sen per ordinary share on 1,561,660,457 ordinary shares	–	22,644,051
In respect of the financial year ended 31 December 2021:		
Interim single-tier dividend of 0.85 sen per ordinary share on 1,559,457,757 ordinary shares	13,255,375	–
Final single-tier dividend of 1.00 sen per ordinary share on 1,559,320,657 ordinary shares	15,593,207	–
RCPS		
In respect of the financial year ended 31 December 2021:		
Preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	–	6,210,536
In respect of the financial year ended 31 December 2022:		
Preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	6,210,536	–
	35,059,118	28,854,587

On 18 April 2023, the Board of Directors:

(i) Declared first interim single-tier dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 December 2022. The entitled shareholders of the Company will receive the dividend on 17 July 2023.

(ii) Proposed final single-tier dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 December 2022. The proposed dividend is subject to the approval of the shareholders at the forthcoming 23rd Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 18 April 2023. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2023.

44. Reconciliation of Liabilities Arising from Financing Activities

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	New finance leases RM	Other changes (ii) RM	At 31 December RM
2022						
Group						
Financial liabilities						
Lease liabilities	31	32,867,429	(14,863,493)	8,130,967	(15,592)	26,119,311
Bank borrowings	32	896,932,878	(151,663,033)	–	12,832,511	758,102,356
Sukuk	33	75,622,000	(25,352,000)	–	–	50,270,000
		1,005,422,307	(191,878,526)	8,130,967	12,816,919	834,491,667
Company						
Financial liabilities						
Bank borrowings	32	162,435,583	42,738,372	–	–	205,173,955
2021						
Group						
Financial liabilities						
Lease liabilities	31	37,942,448	(15,558,849)	10,481,285	2,545	32,867,429
Bank borrowings	32	911,102,539	(14,443,773)	–	274,112	896,932,878
Sukuk	33	84,824,000	(9,202,000)	–	–	75,622,000
		1,033,868,987	(39,204,622)	10,481,285	276,657	1,005,422,307
Company						
Financial liabilities						
Amount due to subsidiaries	18	29,299,171	(14,901,827)	–	(14,397,344)	–
Bank borrowings	32	197,780,548	(35,344,965)	–	–	162,435,583
		227,079,719	(50,246,792)	–	(14,397,344)	162,435,583

(i) The financing cash flows include the net amount of proceeds from or repayments of lease liabilities, bank borrowings, Sukuk, RCPS and subsidiaries in the statements of cash flows.

(ii) Other changes include exchange differences, unpaid interests, excess redemption received transfer to other receivable, expiration of lease contracts and net amount of non-interest bearing advances from/or repayments to subsidiary companies.

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45. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and/or the Company if the Group and/or the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and/or the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2022 RM	2021 RM
Transactions with holding company:		
Dividends paid	–	8,131,211
Transactions with other related parties:		
Income		
Sale of development properties	3,350,916	–
Dividend received	105,570	87,975
Rental income	10,500	12,000
Expenses		
Contractors' fees	21,245,876	3,743,108
Deposit paid	–	3,000,000
Equity instrument	29,054,000	24,550,000
Landowner entitlement	40,000,000	20,000,000
Legal fees	35,460	69,445
Lease expenses	50,400	50,400
Profit sharing with landowner	1,462,480	46,668
Rendering of services	2,664,260	2,818,471
Dividends paid	16,386,300	4,920,354

45. Related Party Disclosures (Cont'd)

(b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Company 2022 RM	Company 2021 RM
Transactions with holding company:		
Dividends paid	–	8,131,211
Transactions with subsidiaries:		
Dividend income	23,175,318	63,000,000
Management fees expenses	574,496	1,150,000
Interest expenses on advances	832	–
Interest income from advances	26,522,994	12,462,900
Transactions with other related parties:		
Dividends paid	16,242,308	4,728,036

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

(i) A company in which a close family member of certain Directors of the Company or its subsidiaries have financial interest;
(ii) A firm or companies in which certain Directors of a subsidiary of the Company have financial interest;
(iii) A person or companies that have financial interest in subsidiaries;
(iv) Directors or key management personnel of the Company or its subsidiaries and their close family members;
(v) A holding company of the Company;
(vi) An associate of the Company; and
(vii) A substantial shareholder of the Company.

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group 2022 RM	Group 2021 RM
Fees	1,310,381	1,222,999
Salaries, gratuity and other emoluments	23,371,452	22,706,004
Defined contribution plans	3,166,950	2,679,793
Social security contributions	103,534	89,826
Employment insurance scheme	2,756	2,820
Retirement benefit obligations	5,686,642	–
Benefits-in-kind	1,391,319	1,437,023
Other benefits	395,719	218,628
	35,428,753	28,357,093

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45. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel (Cont'd)

Remuneration of Directors and other members of key management are as follows: (Cont'd)

	Company 2022 RM	Company 2021 RM
Fees	240,000	173,400
Salaries and other emoluments	191,500	29,000
Other benefits	13,103	16,930
	444,603	219,330

46. Segment Information

The Group has five major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports at least on quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the followings:

Property development	Development of residential, industrial and commercial properties.
Construction and trading	Design and build, civil engineering, general construction, piling activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast concrete products.
Management and investment	Investment holding and provision of management services.
Motor racing circuit	Racing circuit development and management.
Hotel	Hotel operation.
Others	Car park management, retail mall operations, provision of finance through money lending services and treasury management services.

Investment holding and provision of management services are being managed by two different operating segments within the Group. These operating segments have been aggregated to form a reportable segment as management services taking into account that these operating segments have similar nature of the services.

Others business segments include tourism development, provision of finance through money lending and retail mall, none of which are of a sufficient size to be reported separately. The accounting policies of the segments are consistent with the accounting policies of the Group.

46. Segment Information (Cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's managing director. Segment total assets are used to measure the return of assets of each segment.

Additions to non-current assets represent property, plant and equipment, right-of-use assets, capital work-in-progress, inventories, investment properties, other investment and trade receivables.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's managing director. Hence no disclosure is made on segment liabilities.

Geographical segments

In determining the Group segment, revenue and non-current assets are based on the geographical location of customers as follows:

	Revenue	
	2022 RM	2021 RM
Malaysia	1,709,016,130	1,344,490,875
People's Republic of China	14,841,261	21,266,109
	1,723,857,391	1,365,756,984

	Non-current assets	
	2022 RM	2021 RM
Malaysia	1,895,738,108	1,733,832,600
People's Republic of China	160,343,194	162,425,040
Hong Kong	96,247	10,882,769
	2,056,177,549	1,907,140,409

Information about major customers

There is no significant concentration of revenue from any major customers as the major revenue generated by the Group is sale of its development properties to individual purchaser.

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46. Segment Information (Cont'd)

Segment results

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2022							
Revenue							
Total revenue	1,654,136,037	589,282,741	125,035,904	14,841,261	11,103,817	45,209,926	2,439,609,686
Less:							
Inter-segment revenue	–	(554,047,342)	(124,273,585)	–	–	(37,431,368)	(715,752,295)
Revenue from external customers	1,654,136,037	35,235,399	762,319	14,841,261	11,103,817	7,778,558	1,723,857,391
Financial results							
Segment results	257,400,636	43,368,782	15,925,093	(1,175,886)	1,302,526	(3,955,778)	312,865,373
Interest income	2,968,745	249,701	294,716	605,057	–	28,909	4,147,128
Finance costs	(23,282,618)	(4,450,334)	(28,701,842)	(1,273,481)	(1,810,821)	(2,219)	(59,521,315)
Depreciation	(6,281,000)	(15,342,810)	(5,800,861)	(8,957,560)	(2,289,692)	(1,974,502)	(40,646,425)
Share of profit/ (loss) of associates, net of tax	–	134,761	–	–	–	(52,275)	82,486
Profit/(Loss) before tax	230,805,763	23,960,100	(18,282,894)	(10,801,870)	(2,797,987)	(5,955,865)	216,927,247
Taxation	(67,272,894)	(10,976,434)	(2,902,487)	1,727,318	–	11,765	(79,412,732)
Net profit/(loss) for the financial year	163,532,869	12,983,666	(21,185,381)	(9,074,552)	(2,797,987)	(5,944,100)	137,514,515
Assets							
Additional investment in an associate	–	–	54,000	–	–	–	54,000
Additions to non-current assets	88,662,801	9,680,812	4,472,036	2,572,588	190,252	97,230	105,675,719
Segment assets	3,186,821,791	207,474,328	341,273,736	208,197,486	77,748,311	143,814,278	4,165,329,930

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46. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2022							
Other non-cash expenses							
Allowance for impairment losses on:							
- Goodwill arising on consolidation	6,693,781	–	–	–	–	–	6,693,781
- Investment properties	603,586	–	–	–	–	–	603,586
- Other investments	–	–	63,000	–	–	–	63,000
- Trade and other receivables	66,290	715,769	–	–	–	239,679	1,021,738
Bad debts written off	305,227	37,333	–	261,133	–	72,509	676,202
Capital work-in-progress written off	–	–	–	1,618,185	–	–	1,618,185
Deposits written off	227,607	–	196,558	–	–	–	424,165
Depreciation of:							
- Investment properties	217,682	780,236	75,473	–	–	1,259,628	2,333,019
- Property, plant and equipment	1,492,082	6,784,852	2,567,504	477,930	1,108,478	709,401	13,140,247
- Right-of-use assets	4,571,236	7,777,722	3,157,885	8,479,630	1,181,214	5,472	25,173,159
Fair value adjustment on trade receivables	–	–	–	–	–	75,063	75,063
Inventories written off	–	–	–	–	2,983	624	3,607
Land held for property development written down	17,500,000	–	–	–	–	–	17,500,000
Loss on disposal of:							
- Associate	–	18,875	–	–	–	–	18,875
- Property, plant and equipment	83,589	1,765	–	–	–	128,156	213,510
Loss on strike off associate	–	–	8,077	–	–	–	8,077
Prepayments written off	214,190	–	–	–	–	–	214,190
Property development costs written off	296,833	–	–	–	–	–	296,833
Property, plant and equipment written off	5,733	–	283,698	24,933	–	–	314,364
Provision for retirement benefits	–	–	5,686,642	–	–	–	5,686,642

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46. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2022							
Other non-cash expenses (Cont'd)							
Provision for staff economic compensation	–	–	–	86,173	–	–	86,173
Unrealised foreign exchange loss	–	–	34,732	–	–	–	34,732
Unwinding interest	5,822,666	–	–	–	–	–	5,822,666
Waiver of interest income	1,981,605	–	–	–	–	–	1,981,605
Other non-cash income							
Fair value gain on revaluation of financial assets measured at FVTPL	–	–	–	–	–	(820)	(820)
Gain on disposal of:							
- Assets held for sale	(61,575)	–	–	–	–	–	(61,575)
- Property, plant and equipment	–	–	(199,231)	–	–	–	(199,231)
- Right-of-use assets	–	–	(292,863)	–	–	–	(292,863)
- Subsidiary	–	(599,738)	–	–	–	–	(599,738)
Gain on strike off subsidiaries	–	–	(12,923)	–	–	–	(12,923)
Provision for property development costs no longer required	(6,005,058)	–	–	–	–	–	(6,005,058)
Reversal of allowance for impairment loss on:							
- Investment in associates	–	(34,315)	(74,999)	–	–	–	(109,314)
- Trade and other receivables	(4,966,364)	(26,188)	(13,194)	(261,133)	–	(163,884)	(5,430,763)
Unrealised foreign exchange gain	–	–	–	(112,958)	–	–	(112,958)

NOTES TO THE FINANCIAL STATEMENTS
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46. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2021							
Revenue							
Total revenue	1,302,298,251	583,579,171	512,920,553	21,266,109	1,983,177	18,967,117	2,441,014,378
Less:							
Inter-segment revenue	–	(549,341,790)	(512,615,999)	–	–	(13,299,605)	(1,075,257,394)
Revenue from external customers	1,302,298,251	34,237,381	304,554	21,266,109	1,983,177	5,667,512	1,365,756,984
Financial results							
Segment results	214,680,296	56,424,256	5,250,061	3,335,198	(3,305,624)	(1,248,278)	275,135,909
Interest income	2,260,435	158,183	252,007	344,743	–	25,245	3,040,613
Finance costs	(34,559,848)	(4,717,183)	(19,085,906)	(1,250,922)	(1,709,304)	(167,017)	(61,490,180)
Depreciation	(6,110,933)	(14,996,521)	(5,503,800)	(8,795,700)	(2,150,466)	(2,107,451)	(39,664,871)
Amortisation of intangible assets	–	–	(347,177)	–	–	–	(347,177)
Share of profit/ (loss) of associates, net of tax	–	141,433	–	–	–	(7,980)	133,453
Profit/(Loss) before tax	176,269,950	37,010,168	(19,434,815)	(6,366,681)	(7,165,394)	(3,505,481)	176,807,747
Taxation	(46,334,533)	(13,972,845)	(3,299,029)	1,693,456	–	26,756	(61,886,195)
Net profit/ (loss) for the financial year	129,935,417	23,037,323	(22,733,844)	(4,673,225)	(7,165,394)	(3,478,725)	114,921,552
Assets							
Additions to non-current assets	134,093,851	11,616,133	3,796,734	853,468	9,997,407	146,402	160,503,995
Segment assets	3,390,457,745	201,067,427	359,886,640	216,932,528	80,273,971	146,595,579	4,395,213,890

NOTES TO THE FINANCIAL STATEMENTS
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46. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2021							
Other non-cash expenses							
Allowance for impairment losses on:							
- Goodwill arising on consolidation	25,121,364	–	–	–	–	–	25,121,364
- Investment in associates	–	–	14,197	–	–	–	14,197
- Investment properties	267,949	–	130,084	–	–	–	398,033
- Other investments	–	–	8,000	–	–	–	8,000
- Property, plant and equipment	5,601	–	–	–	–	–	5,601
- Right-of-use assets	–	–	749,185	–	–	–	749,185
- Trade and other receivables	2,527,865	169,293	–	256,332	–	110,605	3,064,095
Amortisation of intangible assets	–	–	347,177	–	–	–	347,177
Bad debts written off	300,177	–	1,344,793	–	–	–	1,644,970
Bad debts written off							
- Amount due from a subsidiary under strike off	–	–	100	–	–	–	100
Deposits written off	809,919	–	2,500	–	–	–	812,419
Depreciation of:							
- Investment properties	163,789	780,236	60,987	–	–	1,260,395	2,265,407
- Property, plant and equipment	1,451,561	6,468,462	2,245,280	488,136	1,055,388	784,940	12,493,767
- Right-of-use assets	4,495,584	7,747,823	3,197,533	8,307,564	1,095,078	62,115	24,905,697
Inventories written down to net realisable value	5,188,800	–	–	–	–	–	5,188,800
Loss on disposal of:							
- Property, plant and equipment	5,989	62,010	–	–	–	–	67,999
Loss on strike off:							
- Subsidiaries	–	–	727,762	–	–	–	727,762
- Associate	–	–	11,697	–	–	–	11,697
Prepayments written off	192,410	–	–	–	–	–	192,410
Property development costs written off	12,744,321	–	–	–	–	–	12,744,321
Property, plant and equipment written off	66,000	1	57,453	54,162	–	–	177,616

NOTES TO THE FINANCIAL STATEMENTS
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46. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2021							
Other non-cash expenses (Cont'd)							
Unrealised foreign exchange loss	–	–	4,855,613	103,131	–	–	4,958,744
Unwinding interest	5,523,703	–	–	–	–	–	5,523,703
Waiver of debts of associate	–	–	1,350	–	–	–	1,350
Waiver of interest income	630,166	–	–	–	–	–	630,166
Other non-cash income							
Dividend income from financial assets measured at FVTPL	–	–	–	(2,560)	–	(2,856)	(5,416)
Fair value gain on revaluation of financial assets measured at FVTPL	–	–	–	–	–	(273)	(273)
Fair value adjustment on trade receivables	–	–	–	–	–	(28,075)	(28,075)
Gain on disposal of:							
- Assets held for sale	(398,108)	–	–	–	–	–	(398,108)
- Property, plant and equipment	(20)	(26,094)	(68,742)	–	–	–	(94,856)
- Right-of-use assets	–	–	(314,874)	–	–	–	(314,874)
Provision for property development costs no longer required	(5,678,489)	–	–	–	–	–	(5,678,489)
Provision for staff economic compensation no longer required	–	–	–	(17,943)	–	–	(17,943)
Reversal of allowance for impairment loss on:							
- Investment in associates	–	–	(40)	–	–	–	(40)
- Trade and other receivables	(1,732,399)	–	(1,297,059)	–	–	(8,312)	(3,037,770)
Waiver of debts	–	(174,648)	–	–	–	–	(174,648)

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47. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

		Financial assets measured at	
	Carrying amount RM	Amortised cost RM	FVTPL RM
Group			
2022			
Financial Assets			
Trade receivables	361,472,598	361,472,598	–
Other receivables	126,051,000	126,051,000	–
Fixed deposits with licensed banks	24,754,911	24,754,911	–
Cash held under Housing Development Accounts	235,387,063	235,387,063	–
Cash and bank balances	104,968,603	104,968,603	–
	852,634,175	852,634,175	–
2021			
Financial Assets			
Trade receivables	397,949,216	397,949,216	–
Other receivables	114,234,435	114,234,435	–
Amount due from associates	7,200	7,200	–
Other investments	2,003,129	–	2,003,129
Fixed deposits with licensed banks	22,302,268	22,302,268	–
Cash held under Housing Development Accounts	147,831,952	147,831,952	
Cash and bank balances	112,618,530	112,618,530	
	796,946,730	794,943,601	2,003,129

NOTES TO THE FINANCIAL STATEMENTS
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47. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial assets measured at Amortised cost RM
Company		
2022		
Financial Assets		
Other receivables	363,845	363,845
Amount due from subsidiaries	650,410,872	650,410,872
Fixed deposits with licensed banks	1,041,793	1,041,793
Cash and bank balances	3,425,281	3,425,281
	655,241,791	655,241,791
2021		
Financial Assets		
Other receivables	1,414,729	1,414,729
Amount due from subsidiaries	621,982,530	621,982,530
Fixed deposits with licensed banks	988,305	988,305
Cash and bank balances	11,778,001	11,778,001
	636,163,565	636,163,565

	Carrying amount RM	Financial liabilities measured at Amortised cost RM
Group		
2022		
Financial Liabilities		
Trade payables	865,680,273	865,680,273
Other payables	533,136,564	533,136,564
Retirement benefit obligations	5,686,642	5,686,642
Amount due to an associate	16,552	16,552
Lease liabilities	26,119,311	26,119,311
Bank borrowings and overdrafts	835,849,775	835,849,775
Sukuk	55,270,000	55,270,000
	2,321,759,117	2,321,759,117

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47. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial liabilities measured at Amortised cost RM
Group		
2021		
Financial Liabilities		
Trade payables	961,166,902	961,166,902
Other payables	571,193,193	571,193,193
Amount due to an associate	65,834	65,834
Lease liabilities	32,867,429	32,867,429
Bank borrowings and overdrafts	972,771,624	972,771,624
Sukuk	75,622,000	75,622,000
	2,613,686,982	2,613,686,982
Company		
2022		
Financial Liabilities		
Other payables	663,508	663,508
Bank borrowings and overdrafts	207,723,345	207,723,345
	208,386,853	208,386,853
2021		
Financial Liabilities		
Other payables	2,309,485	2,309,485
Bank borrowings and overdrafts	164,766,581	164,766,581
	167,076,066	167,076,066

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks, amount due from subsidiaries and financial guarantees given to banks and non-financial institutions granted to certain subsidiaries.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the property purchasers were using financing from reputable end-financiers, legal title to the properties revert to the Group in the event of default.

The Company provides unsecured loans and advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions granted to certain subsidiaries. The Company's maximum exposure in this respect is RM641,826,238 (2021: RM914,422,682), representing the outstanding financial guarantees to the subsidiaries as at the end of the reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risk, except for loans and advances to its subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor its cash flows and ensure that sufficient funding is in place to meet the obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM
Group						
2022						
Non-derivative financial liabilities						
Trade payables	865,680,273	898,814,755	415,183,009	6,750,931	57,499,004	419,381,811
Other payables	533,136,564	533,136,564	479,543,853	–	–	53,592,711
Retirement benefit obligations	5,686,642	7,392,635	–	–	–	7,392,635
Amount due to associates	16,552	16,552	16,552	–	–	–
Lease liabilities	26,119,311	27,674,394	15,709,431	7,812,500	3,949,866	202,597
Bank borrowings and overdrafts	835,849,775	912,512,676	671,045,066	80,077,498	113,144,315	48,245,797
Sukuk	55,270,000	71,111,038	8,011,673	10,574,964	24,839,357	27,685,044
Financial guarantees*	–	–	–	–	–	–
	2,321,759,117	2,450,658,614	1,589,509,584	105,215,893	199,432,542	556,500,595
2021						
Non-derivative financial liabilities						
Trade payables	961,166,902	995,706,348	507,738,270	4,500,000	46,964,022	436,504,056
Other payables	571,193,193	571,193,193	515,635,644	–	–	55,557,549
Amount due to associates	65,834	65,834	65,834	–	–	–
Lease liabilities	32,867,429	35,142,563	15,494,422	13,241,138	6,407,003	–
Bank borrowings and overdrafts	972,771,624	1,055,846,277	687,052,790	201,607,400	106,905,179	60,280,908
Sukuk	75,622,000	90,987,307	17,997,777	17,251,345	24,541,943	31,196,242
Financial guarantees*	–	–	–	–	–	–
	2,613,686,982	2,748,941,522	1,743,984,737	236,599,883	184,818,147	583,538,755

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. (Cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM
Company					
2022					
Non-derivative financial liabilities					
Other payables	663,508	663,508	663,508	–	–
Bank borrowings and overdrafts	207,723,345	222,398,995	201,636,529	19,461,216	1,301,250
Financial guarantees*	–	–	–	–	–
	208,386,853	223,062,503	202,300,037	19,461,216	1,301,250
2021					
Non-derivative financial liabilities					
Other payables	2,309,485	2,309,485	2,309,485	–	–
Bank borrowings and overdrafts	164,766,581	179,330,938	130,890,938	34,377,500	14,062,500
Financial guarantees*	–	–	–	–	–
	167,076,066	181,640,423	133,200,423	34,377,500	14,062,500

** At the end of the reporting period, financial guarantee liabilities have not been recognised as there is no indication that the subsidiaries would default on repayment and the probability that the financial guarantee contracts will be called by third parties is remote. Consequently, the amount is RMNil.*

(iii) Market risks

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Hong Kong Dollar ("HKD"), EURO ("EUR"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the management.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities that are exposed to foreign currency risk at the end of the reporting period are as follows:

	USD RM	HKD RM	EUR RM	RMB RM	SGD RM	Total RM
Group						
2022						
Other receivables	–	1,126	–	–	–	1,126
Cash and bank balances	1,017,826	447,598	1,848,609	70,310	510,014	3,894,357
Trade payables	(313,326)	–	–	–	–	(313,326)
Other payables	–	(204,333)	–	–	–	(204,333)
Net exposure	704,500	244,391	1,848,609	70,310	510,014	3,377,824
2021						
Other receivables	–	1,496	–	–	–	1,496
Cash and bank balances	963,680	163,652	1,864,627	84,604	481,705	3,558,268
Trade payables	(297,348)	–	–	–	–	(297,348)
Other payables	–	(193,880)	–	–	–	(193,880)
Net exposure	666,332	(28,732)	1,864,627	84,604	481,705	3,068,536

	HKD RM
Company	
2022	
Cash and bank balances	6,128
2021	
Cash and bank balances	6,136

Foreign currency risk sensitivity

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Foreign currency risk sensitivity (Cont'd)

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, HKD, EUR, RMB and SGD exchange rates against RM, with all other variables held constant.

	2022		2021	
	Changes in currency rate	Effect on profit before tax RM	Changes in currency rate	Effect on profit before tax RM
Group				
USD	Strengthened 10%	70,450	Strengthened 10%	66,633
	Weakened 10%	(70,450)	Weakened 10%	(66,633)
HKD	Strengthened 10%	24,439	Strengthened 10%	(2,873)
	Weakened 10%	(24,439)	Weakened 10%	2,873
EUR	Strengthened 10%	184,861	Strengthened 10%	186,463
	Weakened 10%	(184,861)	Weakened 10%	(186,463)
RMB	Strengthened 10%	7,031	Strengthened 10%	8,460
	Weakened 10%	(7,031)	Weakened 10%	(8,460)
SGD	Strengthened 10%	51,001	Strengthened 10%	48,171
	Weakened 10%	(51,001)	Weakened 10%	(48,171)
Company				
HKD	Strengthened 10%	613	Strengthened 10%	614
	Weakened 10%	(613)	Weakened 10%	(614)

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk at the end of the reporting period are as follows:

	Group	
	2022 RM	2021 RM
Fixed Rate Instruments		
Financial Asset		
Fixed deposits with licensed banks	24,754,911	22,302,268
Financial Liability		
Lease liabilities	26,119,311	32,867,429
Floating Rate Instruments		
Financial Assets		
Cash held under Housing Development	235,387,063	147,831,952
Cash and bank balances	1,250,055	5,823,814
	236,637,118	153,655,766
Financial Liabilities		
Borrowings and bank overdrafts	835,849,775	972,771,624
Sukuk	55,270,000	75,622,000
	891,119,775	1,048,393,624

47. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

	Company 2022 RM	Company 2021 RM
Fixed Rate Instrument		
Financial Asset		
Fixed deposits with licensed banks	1,041,793	988,305
Floating Rate Instruments		
Financial Assets		
Cash and bank balances	310,623	333,388
Amount due from subsidiaries	–	610,014,411
	310,623	610,347,799
Financial Liabilities		
Bank borrowings and overdrafts	207,723,345	164,766,581

Interest rate risk sensitivity

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's profit before tax by RM6,544,827 (2021: RM8,948,332), arising mainly as a result of lower or higher interest expense on floating rate financial assets and financial liabilities. A change in 1% interest rate at the end of the reporting period would have increased or decreased the Company's profit before tax by RM4,026,245 (2021: RM4,455,812), arising mainly as a result of higher or lower interest income on floating rate financial assets and financial liabilities. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. This investment is listed on Bursa Securities and is classified as financial asset measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income.

Management of the Group monitors investment in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

47. Financial Instruments (Cont'd)

(d) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

It was not practical to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
2021						
Group						
Financial asset						
Other investments	2,003,129	–	–	2,003,129	2,003,129	2,003,129

Not applicable for current financial year, as the above other investments have been disposed of during the financial year.

The fair value above has been determined using the following basis:

- The fair value of other investments was determined by reference to the quoted market price in an active market and/or provided by financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

48. Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares, buy back issued shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

48. Capital Management (Cont'd)

The Group and the Company monitors capital using gearing ratio, which is the net debts divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group	
	2022 **RM**	**2021** **RM**
Debts		
Lease liabilities	26,119,311	32,867,429
Bank Borrowings and overdrafts	835,849,775	972,771,624
Sukuk	55,270,000	75,622,000
Total debts	917,239,086	1,081,261,053
Deposits, cash and bank balances		
Fixed deposits with licensed banks	24,754,911	22,302,268
Cash held under Housing Development Accounts	235,387,063	147,831,952
Cash and bank balances	104,968,603	112,618,530
Total deposits, cash and bank balances	365,110,577	282,752,750
Net debts	552,128,509	798,508,303
Total equity	1,754,825,152	1,707,415,792
Gross gearing ratio	0.52	0.63
Net gearing ratio	0.31	0.47

	Company	
	2022 **RM**	**2021** **RM**
Debts		
Bank borrowings and overdrafts	207,723,345	164,766,581
Total debts	207,723,345	164,766,581
Deposits, cash and bank balances		
Fixed deposits with licensed banks	1,041,793	988,305
Cash and bank balances	3,425,281	11,778,001
Total deposits, cash and bank balances	4,467,074	12,766,306
Net debts	203,256,271	152,000,275
Total equity	1,198,530,243	1,221,520,475
Gross gearing ratio	0.17	0.13
Net gearing ratio	0.17	0.12

There were no changes in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

49. Subsequent Events

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

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

(b) On 7 February 2023, LBS Bina had subscribed for 100 ordinary shares in Sejuta Bina Sdn. Bhd. ("SBSB") for a total cash consideration of RM100 only. Consequently, SBSB became a wholly-owned subsidiary of LBS Bina.

(c) On 7 February 2023, LBS Bina had subscribed for 100 ordinary shares in STP Desa Pembangunan Sdn. Bhd. ("SDPSB") for a total cash consideration of RM100 only. Consequently, SDPSB became a wholly-owned subsidiary of LBS Bina.

LBS Bina disposed of 30 ordinary shares, representing 3% equity interest in SDPSB for a total cash consideration of RM30 only on 2 March 2023. Consequently, SDPSB became a 70% owned subsidiary of LBS Bina.

(d) On 10 February 2023, Bendera Berlian Sdn. Bhd. ("BBSB"), an associate of LBS Bina, had reduced its share capital from RM1,100,000 comprising 1,100,000 ordinary shares to RM35,000 comprising 35,000 ordinary shares by cancelling the shares capital of RM1,065,000 comprising 1,065,000 ordinary shares.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

49. Subsequent Events (Cont'd)

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

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

On 30 March 2023, MGBCE has undertaken internal restructuring whereby MGBCE, disposed of all the equity interest in MDSB to MGBLSB for a total cash consideration of RM750,000 only.

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

On 21 March 2022, the Company entered into a Heads of Agreement ("HOA") with Ancom Berhad, Nylex (Malaysia) Berhad, Sinar Bina Infra Sdn. Bhd. ("SBI") and BTS Group Holdings Public Company Limited ("BTS") for the collaboration to build and operate a light rail transport ("LRT") system connected with the railway shuttle link currently being built from Singapore to Johor Bahru, with an integrated property development using the "Transit-Oriented Development" concept in Johor Bahru metropolitan region.

The HOA is subject to the completion of a feasibility study to be conducted by BTS and professional consultants, the grant of the LRT Project concessions by the state government of Johor to SBI and signing of definitive agreements.

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

(i) To jointly explore the proposal of using Sany Construction Engineering's latest structural system (SPCS) for the development of 10,000 units of property across Asia ("Property Project"). The total project value of the Property Project is approximately RM3 billion; and

(ii) To jointly explore, research and plan for an Intelligent Deep-Water Port in Malacca by using Sany's expertise in Artificial Intelligence (AI) manufacturing and port management technology to build a One-Stop Industrial 4.0 Hub Port in the Malacca Waterfront Economic Zone (M-WEZ) comprising of free trade zones and oil and liquefied natural gas industrial park, logistic and warehousing, intelligent manufacturing, ship maintenance and other port-related business ("Port Project"). The total investment value of the Port Project is approximately RM8 billion.

LBGB and Sany shall be collectively referred to as the "Parties".

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

(j) On 4 April 2023, LBS Bina acquired 17,850 ordinary shares, representing 51% equity interest in Bendera Berlian Sdn. Bhd. ("BBSB") for a total cash consideration of RM2 only. Consequently, BBSB became a wholly-owned subsidiary of LBS Bina.

(k) On 7 April 2023, LBS Bina acquired 25,000 ordinary shares, representing 10% equity interest in Koleksi Sigma Sdn. Bhd. ("KSSB") for a total cash consideration of RM4,100,000 only. Consequently, KSSB became a 85% owned subsidiary of LBS Bina.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

50. Capital Commitments

	Group 2022 RM	Group 2021 RM
Approved and contracted for property development:		
- Joint Venture Agreements	266,295,406	295,877,534
- Sale and Purchase Agreements	92,952,750	–
- Reclamation and Development Agreement	64,862,400	64,862,400
Approved and contracted for:		
- Properties, plant and equipment	–	195,691
- Right-of-use assets	50,328,496	35,024,477
	474,439,052	395,960,102

31 December 2021

The capital commitment amounting to RM6,000,000 held under Bimbingan Simfoni Sdn. Bhd., a subsidiary of LBS Bina, ceased upon the termination of Joint Venture Agreement on 7 February 2022.

51. Financial Guarantees

	Group 2022 RM	Group 2021 RM
Secured:		
Bank guarantees for:		
- property development	44,473,899	45,002,180
- construction contracts	–	72,232
- others	54,700	16,700
	44,528,599	45,091,112
Unsecured:		
Corporate guarantees given to:		
- third parties in respect of trade facilities granted to subsidiaries	31,000,000	31,700,000
	31,000,000	31,700,000

	Company 2022 RM	Company 2021 RM
Unsecured:		
Corporate guarantees given to:		
- licensed banks to secure banking facilities granted to subsidiaries	622,390,616	865,649,471
- third parties for undertaking due performance in relation to development rights and joint venture agreements	19,435,622	48,773,211
	641,826,238	914,422,682

NOTES TO THE FINANCIAL STATEMENTS
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52. List of Subsidiaries

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
	Direct holding				
**	Galeri Cekap Sdn. Bhd.	Malaysia	100	–	Property development related activities and investment holding
	Intellplace Holdings Limited	British Virgin Islands	100	100	Investment holding
	LBS Bina Holdings Sdn. Bhd.	Malaysia	100	100	Property development, provision of management services and investment holding
	LBS Landscape Sdn. Bhd.	Malaysia	100	100	Turfing, landscaping, construction and related business activities
	Kita Sejati Sdn. Bhd.	Malaysia	100	100	Property development
	MGB Berhad	Malaysia	58.65	58.65	Provision of management services and investment holding
	Saujana Tunggal Sdn. Bhd.	Malaysia	100	100	Investment holding
	SPJ Construction Sdn. Bhd.	Malaysia	60	60	Dormant
	Indirect holding				
	Subsidiaries of LBS Bina Holdings Sdn. Bhd.:				
	Adil Restu Sdn. Bhd.	Malaysia	100	100	Property development
	Alunan Prestasi Sdn. Bhd.	Malaysia	100	100	Dormant
	Angsana Abadi Sdn. Bhd.	Malaysia	100	100	Dormant
	Astana Modal (M) Sdn. Bhd.	Malaysia	100	100	Property development
	Azam Perspektif Sdn. Bhd.	Malaysia	100	100	Property development
^	Bimbingan Simfoni Sdn. Bhd.	Malaysia	–	51	Dormant
	Bimbingan Sumber Sdn. Bhd.	Malaysia	60	60	Property development
	Casa Inspirasi Sdn. Bhd.	Malaysia	69	69	Property development, construction and related business activities
	Cergas Asal (M) Sdn. Bhd.	Malaysia	100	100	Property development
	Dataran Enigma Sdn. Bhd.	Malaysia	61	61	Property development
	Duta Abadi Sdn. Bhd.	Malaysia	100	100	Property development
	Equal Alliance Sdn. Bhd.	Malaysia	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

52. List of Subsidiaries (Cont'd)

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
	Indirect holding (Cont'd)				
	Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)				
	Equal Sign Sdn. Bhd.	Malaysia	100	100	Property development and hotel operation
	Focal Remedy Sdn. Bhd.	Malaysia	100	100	Property development
	Fokus Awana Sdn. Bhd.	Malaysia	100	100	Property development
**	Galeri Cekap Sdn. Bhd.	Malaysia	–	100	Property development related activities and investment holding
	Generasi Nostalgia Sdn. Bhd.	Malaysia	100	100	Dormant
	Generasi Simbolik Sdn. Bhd.	Malaysia	100	100	Property development
	Getstyle Sdn. Bhd.	Malaysia	100	100	Property development
^	Healthguard Medicare Sdn. Bhd.	Malaysia	–	60	Dormant
	Inderaloka Impian Sdn. Bhd.	Malaysia	100	100	Property development, and provision of treasury management services
	Intellview Sdn. Bhd.	Malaysia	100	100	Property development
	Iringan Kejora Sdn. Bhd.	Malaysia	70	70	Property development
	Jatidiri Gigih Sdn. Bhd.	Malaysia	100	100	Property development
	Jauhari Unggul Sdn. Bhd.	Malaysia	100	100	Property development
	Johan Anggun Sdn. Bhd.	Malaysia	85	85	Property development
	Kalimah Jaya Sdn. Bhd.	Malaysia	100	100	Investment holding
	Kemudi Ehsan Sdn. Bhd.	Malaysia	100	82	Property development
	Kilatlima Sdn. Bhd.	Malaysia	100	100	Property development and car park management
	Kirana Emas Sdn. Bhd.	Malaysia	51	51	Dormant
	Koleksi Sigma Sdn. Bhd.	Malaysia	75	75	Property development
	LBS Borneo Sdn. Bhd.	Malaysia	51	51	Dormant
	LBS Capital Sdn. Bhd.	Malaysia	100	100	Provision of finance through money lending
**	Maju Kamabisa Sdn. Bhd.	Malaysia	–	100	Dormant
	Mayang Jelatek Sdn. Bhd.	Malaysia	51	51	Property development

52. List of Subsidiaries (Cont'd)

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	2021 %	Principal activities
	Indirect holding (Cont'd)				
	Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)				
^	Megah Solaris Sdn. Bhd.	Malaysia	–	100	Dormant
	Misi Aktif Sdn. Bhd.	Malaysia	100	100	Property development
	MITC Sdn. Bhd.	Malaysia	100	100	Property development and provision of management services
	Panglima Riang Sdn. Bhd.	Malaysia	51	51	Dormant
	Pelangi Homes Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
	Pembangunan Primer Sdn. Bhd.	Malaysia	100	100	Property development
	Puncak Gama Sdn. Bhd.	Malaysia	100	100	Property development
	Saga Megah Sdn. Bhd.	Malaysia	100	100	Dormant
	Seloka Sinaran Sdn. Bhd.	Malaysia	100	100	Property development
	Sepadan Maju Sdn. Bhd.	Malaysia	100	100	Property development
	Seribu Baiduri Sdn. Bhd.	Malaysia	100	100	Property development
	Sinaran Restu Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
^	Taman Sempurna Sdn. Bhd.	Malaysia	–	100	Dormant
	Utuh Aspirasi Sdn. Bhd.	Malaysia	100	100	Property development
	Wirama Era Baru Sdn. Bhd.	Malaysia	51	51	Property development
	Subsidiary of Casa Insipirasi Sdn. Bhd.:				
@	Seri Aliran Sdn. Bhd.	Malaysia	69	–	Dormant
	Subsidiary of Saujana Tunggal Sdn. Bhd.:				
	Gerbang Mekar Sdn. Bhd.	Malaysia	100	100	Letting and management of a retail mall and provision of retail management services
	Subsidiaries of Sinaran Restu Sdn. Bhd.:				
	Juaraplex Sdn. Bhd.	Malaysia	100	100	Property development
	Kenderong Sdn. Bhd.	Malaysia	100	100	Property development
	Keranji Bina Sdn. Bhd.	Malaysia	100	100	Property development
	Lingkaran Semangat Sdn. Bhd.	Malaysia	100	100	Property development
	Pacific Grant Sdn. Bhd	Malaysia	100	100	Dormant
	Silibin Jaya Sdn. Bhd.	Malaysia	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

52. List of Subsidiaries (Cont'd)

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
	Indirect holding (Cont'd)				
	Subsidiary of Kalimah Jaya Sdn. Bhd.:				
	Utuh Sejagat Sdn. Bhd.	Malaysia	100	100	Property development
	Subsidiaries of Pelangi Homes Sdn. Bhd.:				
	Restu Bidara Sdn. Bhd.	Malaysia	100	100	Property development
	Biz Bena Development Sdn. Bhd.	Malaysia	51.92	51.92	Dormant
	Subsidiaries of Galeri Cekap Sdn. Bhd.:				
	Leaptec Engineering Sdn. Bhd.	Malaysia	70	70	Investment holding
	Subsidiaries of Leaptec Engineering Sdn. Bhd.:				
**	Maju Kamabisa Sdn. Bhd.	Malaysia	70	–	Dormant
^	Nuevoprima Development Sdn. Bhd.	Malaysia	–	70	Dormant
	Subsidiaries of MGB Berhad:				
	Alunan Warta Sdn. Bhd.	Malaysia	29.91	29.91	Dormant
	MGB Construction Sdn. Bhd.	Malaysia	58.65	58.65	Civil engineering, design and build and general construction activities, provision of management services and investment holding
	MGB Land Sdn. Bhd.	Malaysia	58.65	58.65	Investment holding
	MGB Construction & Engineering Sdn. Bhd.	Malaysia	58.65	58.65	Civil engineering, design and build, general construction activities, trading of construction materials, management consultancy activities and investment holding
	MGB Water Solution Sdn. Bhd.	Malaysia	41.06	41.06	Dormant
	Newsteel Building Systems Sdn. Bhd.	Malaysia	46.92	46.92	Dormant
	Vintage Roofing & Construction Sdn. Bhd.	Malaysia	58.65	58.65	Dormant
	Vintage Tiles Holdings Sdn. Bhd.	Malaysia	58.65	58.65	Dormant

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

52. List of Subsidiaries (Cont'd)

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
	Indirect holding (Cont'd)				
	Subsidiary of MGB Construction Sdn. Bhd.:				
^^ @	MGB International for Industry	Kingdom of Saudi Arabia	58.65	–	Dormant
	Subsidiaries of MGB Land Sdn. Bhd.:				
	Delta Gallery Sdn. Bhd.	Malaysia	58.65	58.65	Property development
	Idaman Aktif Sdn. Bhd.	Malaysia	58.65	58.65	Property development
	Idaman Elegan Sdn. Bhd.	Malaysia	58.65	58.65	Dormant
	Idaman Kukuh Sdn. Bhd.	Malaysia	58.65	58.65	Property development
@	Idaman Rawang Sdn. Bhd.	Malaysia	58.65	–	Dormant
	Idaman Living Sdn. Bhd.	Malaysia	58.65	58.65	Property development
	Multi Court Developers Sdn. Bhd.	Malaysia	58.65	58.65	Property development
@	Retro Court Sdn. Bhd.	Malaysia	58.65	–	Dormant
	Sinaran Kencana Sdn. Bhd.	Malaysia	58.65	58.65	Dormant
	Subsidiaries of MGB Construction & Engineering Sdn. Bhd.:				
#	Prisma Craft Sdn. Bhd.	Malaysia	–	58.65	Dormant
	Prisma Kasturi Sdn. Bhd.	Malaysia	58.65	58.65	Dormant
	Top Ace Solutions Sdn. Bhd.	Malaysia	58.65	58.65	Trading of building material and general construction activities
	MGB Geotech Sdn. Bhd.	Malaysia	58.65	58.65	Piling and foundation construction works
	MGB SANY (M) IBS Sdn. Bhd.	Malaysia	47.51	47.51	Manufacturing of Industrialised Building System precast concrete products
	Subsidiary of Intellplace Holdings Limited:				
*	Dragon Hill Corporation Limited	Hong Kong	100	100	Investment holding
	Subsidiary of Dragon Hill Corporation Limited:				
*	Lamdeal Investments Limited	Hong Kong	100	100	Project investment through a subsidiary in The People's Republic China ("PRC")

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

52. List of Subsidiaries (Cont'd)

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
	Indirect holding (Cont'd)				
	Subsidiary of Lamdeal Investments Limited:				
##	Zhuhai International Circuit Limited	PRC	60	60	Racing circuit development and management
	Subsidiary of Zhuhai International Circuit Limited:				
*	Zhuhai International Circuit Promotion (HK) Limited	Hong Kong	60	60	Providing handling services to its holding company

* The financial statements of these companies are audited by member firms of UHY International Limited which are separate and independent legal entities from UHY, Malaysia.
Subsidiaries not audited by UHY
@ Became subsidiary during the financial year
# Disposed during the financial year 2022
^ Strike off during the financial year 2022
** Changes in holding company due to internal restructuring
^^ Incorporated in November 2022, no audit is required during the financial year

53. List of Associates

	Name of company	Place of business/ Country of incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal activities
	Indirect holding				
	Associates of LBS Bina Holdings Sdn. Bhd.:				
	Bendera Berlian Sdn. Bhd.	Malaysia	49	49	Dormant
^	Pristine Sunrise (M) Sdn. Bhd.	Malaysia	–	30	Dormant
	Sambungan Aktif Sdn. Bhd.	Malaysia	35	35	Dormant
	Setara Armada Sdn. Bhd.	Malaysia	30	30	Dormant
	Tarikan Puncak Sdn. Bhd.	Malaysia	20	20	Dormant
*	Usaha Semarak Sdn. Bhd.	Malaysia	35	35	Property development
	Warnasari Idaman Sdn. Bhd.	Malaysia	30	30	Dormant
	Associates of MGB Construction & Engineering Sdn. Bhd.:				
* #	YLT Consultancy Sdn. Bhd.	Malaysia	–	17.60	Engineering consultancy services
	MGB JPC Consultancy Sdn. Bhd.	Malaysia	17.60	17.60	Engineering consultancy services

* Associates not audited by UHY
# Disposed during the financial year 2022
^ Strike off during the financial year 2022

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

54. Comparative Figures

The following comparative figures have been reclassified to conform with the current year's presentation.

	Group		
	As previously stated RM	As restated RM	Increase/ (decrease) RM
Statements of Financial Position			
2021			
Current liabilities			
Accruals	389,590,122	327,693,088	(61,897,034)
Provisions	–	61,992,360	61,992,360
Bank borrowings	568,888,141	568,792,815	(95,326)
Statements of Cash Flows			
2021			
Operating activities			
Provision for property development costs no longer required	(9,132,972)	(5,678,489)	3,454,483
Changes in working capital			
Other payables	61,596,929	58,237,772	(3,359,157)
Financing activities			
Repayment of bank borrowings	(638,737,410)	(638,832,736)	(95,326)

Reclassification of Other Payables to Provisions

The Group reclassified RM61,992,360 from accruals to provisions for property development costs. The reclassification was made to better reflect the nature of the liability as a provision for estimated property development costs, in accordance with the Company's accounting policy.

55. Date of Authorisation for Issue of Financial Statements

The financial statements of the Group and of the Company for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 18 April 2023.

LIST OF MATERIAL PROPERTIES
OWNED BY THE GROUP AS AT 31 DECEMBER 2022

Location	Description	Tenure	Net Book Value RM'000	Land Area (acres)	Date of Acquisition
Lot 62606 & 62607 Mukim Tanjong Duabelas Daerah Kuala Langat Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 05.02.2094)	147,949	92.80	31.10.2012
Jinding, Zhuhai The People's Republic of China	Land and buildings (age: 23 years)	Land use right term (expiring on 23.10.2043)	144,642	263.34	02.10.2013
Lot 20952, 24962 & 24963 District of Johor Bahru Johor Darul Takzim	Land held for development	Freehold and leasehold (expiring on 01.11.2099)	123,777	5.50	30.04.2015/ 27.10.2015
Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Land under development and held for development	Freehold	108,384	424.51	27.07.2007/ 27.01.2022
Lot 13961, Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 06.10.2108)	98,007	73.35	09.10.2009
LOT 22823 & LOT 22824 Mukim Ulu Sungai Johor Kota Tinggi Johor Darul Takzim	Land held for development	Leasehold (expiring on 12.01.2103)	89,672	341.85	19.04.2016
Gombak Kuala Lumpur	Retail mall known as M3 Mall (age: 6 years)	Leasehold (expiring on 01.11.2111)	84,572	3.24	08.03.2018
PN30169 to PN30172, PN30474 & PT 3279 Mukim Tanah Rata Cameron Highlands Pahang Darul Makmur	Land under development and held for development	Leasehold (expiring on 03.03.2115 & 24.04.2115)	80,821	78.93	30.11.2016
Lot 117118 Mukim Petaling Selangor Darul Ehsan	Land under development	Leasehold (expiring on 04.09.2112)	80,203	7.98	01.02.2018
PT 147855 to 147950 HS(D) 154981 to 155076 Mukim Klang Selangor Darul Ehsan	Land held for development	Leasehold (expiring on 24.02.2107)	79,677	60.92	19.10.2015

ANALYSIS OF ORDINARY SHAREHOLDINGS
AS AT 31 MARCH 2023

ORDINARY SHARE CAPITAL

Types of Shares	:	Ordinary Shares
Issued Shares Capital	:	1,544,858,257 ordinary shares (excluding treasury shares of 24,386,894)
No. of Shareholders	:	8,934
Voting Rights	:	One (1) vote per ordinary share on a poll, in the meeting of shareholders.

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	730	8.171	31,950	0.002
100 - 1,000	1,641	18.368	609,161	0.039
1,001 - 10,000	2,986	33.423	14,946,084	0.967
10,001 - 100,000	2,944	32.953	90,438,323	5.854
100,001 - 77,242,911 *	629	7.041	991,462,264	64.178
77,242,912 AND ABOVE **	4	0.044	447,370,475	28.960
	8,934	100.000	1,544,858,257	100.000

Remarks:

* *Less than 5% of Issued Shares*

** *5% and above of Issued Shares*

SUBSTANTIAL SHAREHOLDERS

	Shareholdings			
Name of Shareholders	Direct No. of Share	%	Indirect No. of Share	%
Gaterich Sdn Bhd	560,773,150	36.30	–	–
Tan Sri Dato' Sri Lim Hock San	33,406,014	2.16	560,773,150 (1)	36.30
Datuk Wira Lim Hock Guan	28,130,444	1.82	560,773,150 (1)	36.30
Kumpulan Wang Persaraan (Diperbadankan)	130,016,426	8.42	49,540,236 (4)	3.21

ANALYSIS OF ORDINARY SHAREHOLDINGS
AS AT 31 MARCH 2023

DIRECTORS' INTEREST IN SHARES

	Shareholdings			
Name of Directors	Direct No. of Shares	%	Indirect No. of Shares	%
Tan Sri Dato' Sri Lim Hock San	33,406,014	2.16	565,526,085 (3)	36.61
Datuk Wira Lim Hock Guan	28,130,444	1.82	563,400,010 (3)	36.47
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	0.04	615,280 (2)	0.04
Dato' Lim Mooi Pang	5,672,759	0.37	–	–
Datuk Lim Si Cheng	269,654	0.02	–	–
Datuk Dr. Haji Baharum Bin Hj Mohamed	269,654	0.02	–	–
Dato' Lim Han Boon	150,000	0.01	–	–

Notes:

(1) Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act").

(2) Shares held by virtue of Section 59(11)(c) of the Act.

(3) Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 8 of the Act and by virtue of Section 59(11)(c) of the Act.

(4) Deemed interested by virtue of shares held by Fund Managers of Kumpulan Wang Persaraan (Diperbadankan).

ANALYSIS OF ORDINARY SHAREHOLDINGS
AS AT 31 MARCH 2023

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS
(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Holder Name	Shares Held	%
1	**RHB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	134,084,100	8.679
2	**KUMPULAN WANG PERSARAAN (DIPERBADANKAN)**	130,016,426	8.416
3	**AMSEC NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN.BHD. (SMART)	105,060,00	6.801
4	**ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (8120976)	78,209,949	5.063
5	**CIMSEC NOMINEES (TEMPATAN) SDN BHD** CIMB FOR LIM WEE CHAI (PB)	54,656,250	3.538
6	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	51,007,264	3.302
7	**RHB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,886,040	2.906
8	**KENANGA NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,192,500	2.861
9	**RHB NOMINEES (TEMPATAN) SDN BHD** INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	39,964,000	2.587
10	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	39,203,645	2.538
11	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	32,276,777	2.089
12	**KENANGA INVESTMENT BANK BERHAD** IVT-(EDSP-OTC/ESH)	29,709,078	1.923
13	**KENANGA NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	27,392,518	1.773
14	**CIMB GROUP NOMINEES (TEMPATAN) SDN BHD** CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	26,585,125	1.721
15	**CIMSEC NOMINEES (TEMPATAN) SDN BHD** CIMB FOR GATERICH SDN BHD (PB)	25,123,000	1.626
16	**AMSEC NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN BHD	23,525,200	1.523

ANALYSIS OF ORDINARY SHAREHOLDINGS
AS AT 31 MARCH 2023

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS
(Without aggregating securities from different securities accounts belonging to the same registered holder) (Cont'd)

No.	Holder Name	Shares Held	%
17	**HSBC NOMINEES (TEMPATAN) SDN BHD** HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	21,103,868	1.366
18	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (MY2970)	20,925,678	1.355
19	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138104A)	19,028,220	1.232
20	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	18,200,800	1.178
21	**AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD.** PLEDGED SECURITIES ACCOUNT FOR LIM HOCK GUAN	17,420,000	1.128
22	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	17,263,459	1.117
23	**HSBC NOMINEES (TEMPATAN) SDN BHD** HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	16,357,944	1.059
24	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (5140113810 5A)	15,108,923	0.978
25	**CIMB GROUP NOMINEES (TEMPATAN) SDN BHD** CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	13,145,600	0.851
26	**ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (8071190)	12,480,336	0.808
27	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	10,729,400	0.695
28	**LIM HOCK GUAN**	10,710,444	0.693
29	**TMF TRUSTEES MALAYSIA BERHAD** LBS BINA GROUP BERHAD	10,688,136	0.692
30	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	9,703,700	0.628
	TOTAL	1,098,758,380	71.124

ANALYSIS OF PREFERENCE SHAREHOLDINGS
AS AT 31 MARCH 2023

PREFERENCE SHARE CAPITAL

Types of Shares	:	Redeemable Convertible Preference Shares ("RCPS")
Issued Shares Capital	:	94,099,035 RCPS
No. of Shareholders	:	911
Voting Rights	:	Ten (10) RCPS for eleven (11) votes

DISTRIBUTION OF PREFERENCE SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of RCPS	%
1 - 99	19	2.086	846	0.001
100 - 1,000	345	37.870	239,928	0.255
1,001 - 10,000	393	43.139	1,431,499	1.521
10,001 - 100,000	107	11.745	3,642,341	3.871
100,001 - 4,704,950 *	45	4.940	24,984,701	26.551
4,704,951 AND ABOVE **	2	0.220	63,799,720	67.801
	911	100.000	94,099,035	100.000

Remarks:

* *Less than 5% of Issued RCPS*

** *5% and above of Issued RCPS*

DIRECTORS' INTEREST IN RCPS

	RCPS Shareholdings			
Name of Directors	Direct No. of RCPS	%	Indirect No. of RCPS	%
Tan Sri Dato' Sri Lim Hock San	–	–	158,000 [1]	0.17
Maj (Hon) Dato' Sri Lim Hock Sing	–	–	38,800 [1]	0.04
Datuk Lim Si Cheng	23,800	0.03	–	–
Datuk Dr. Haji Baharum Bin Hj Mohamed	23,800	0.03	–	–

Note:

[1] *RCPS held by virtue of Section 59(11)(c) of the Companies Act, 2016.*

ANALYSIS OF PREFERENCE SHAREHOLDINGS
AS AT 31 MARCH 2023

LIST OF THIRTY (30) LARGEST RCPS HOLDERS
(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Holder Name	Shares Held	%
1	**AMSEC NOMINEES (TEMPATAN) SDN BHD** AMBANK (M) BERHAD	53,026,600	56.352
2	**KUMPULAN WANG PERSARAAN (DIPERBADANKAN)**	10,773,120	11.449
3	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	3,320,000	3.528
4	**CIMB GROUP NOMINEES (TEMPATAN) SDN BHD** CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,732,120	2.903
5	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	2,116,120	2.249
6	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	1,600,000	1.700
7	**TEO TIN LUN**	1,336,100	1.420
8	**HSBC NOMINEES (TEMPATAN) SDN BHD** HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	964,260	1.025
9	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR LOH YEM PHOI (J KUNING 2-CL)	903,800	0.960
10	**TEO TIN LUN**	827,700	0.880
11	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	826,300	0.878
12	**CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD** CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	817,580	0.869
13	**NG HO FATT**	749,900	0.797
14	**LIM SOO YONG**	610,000	0.648
15	**HLIB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR NG HO FATT	576,000	0.612
16	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	568,320	0.604
17	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** EMPLOYEES PROVIDENT FUND BOARD (F.TEMISLAMIC)	538,350	0.572

ANALYSIS OF PREFERENCE SHAREHOLDINGS

AS AT 31 MARCH 2023

LIST OF THIRTY (30) LARGEST RCPS HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder) (Cont'd)

No.	Holder Name	Shares Held	%
18	**LIM KHUAN ENG**	470,000	0.499
19	**HSBC NOMINEES (TEMPATAN) SDN BHD** HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	413,360	0.439
20	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR CHAN SIN SANG (KUCHAI LAMA-CL)	373,100	0.396
21	**HSBC NOMINEES (TEMPATAN) SDN BHD** HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	335,391	0.356
22	**YEOH WAN CHIN**	315,400	0.335
23	**HSBC NOMINEES (TEMPATAN) SDN BHD** HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE2)	288,880	0.307
24	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	272,540	0.290
25	**CIMB GROUP NOMINEES (TEMPATAN) SDN BHD** CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	264,300	0.281
26	**PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD** EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	260,000	0.276
27	**CARTABAN NOMINEES (TEMPATAN) SDN BHD** RHB TRUSTEES BERHAD FOR KENANGA ASIA PACIFIC TOTAL RETURN FUND	255,620	0.272
28	**CARTABAN NOMINEES (TEMPATAN) SDN BHD** UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR KENANGA GLOBAL ISLAMIC FUND	234,920	0.250
29	**PANG CHONG YEN**	218,800	0.233
30	**ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR ONG SIEW ENG @ ONG CHAI (8040800)	217,100	0.231
	TOTAL	86,205,681	91.612

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("23rd AGM") of LBS Bina Group Berhad ("Company") will be held on a fully virtual basis through live streaming and online remote voting via TIIH Online website at http://tiih.online on Tuesday, 20 June 2023 at 2.00 p.m. for the following purposes:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.	**(Please refer to Note 1 of the Explanatory Notes on Ordinary Business)**
2.	To approve the payment of a Final Single-Tier Dividend of 1.25 sen per ordinary share for the financial year ended 31 December 2022.	**Resolution 1**
3.	To approve the payment of Directors' Fees of RM260,000 to the Independent Non-Executive Directors for the financial year ended 31 December 2022.	**Resolution 2**
4.	To approve the payment of Directors' Fees, allowances and benefits-in-kind to the Directors of the Company up to an amount of RM2.0 million, for the period from the conclusion of the 23rd AGM to the next Annual General Meeting in 2024.	**Resolution 3**
5.	To re-elect the following Directors who retire in accordance with Clause 100 of the Company's Constitution:-	
	(i) Maj (Hon) Dato' Sri Lim Hock Sing, JP	**Resolution 4**
	(ii) Dato' Lim Han Boon	**Resolution 5**
6.	To re-elect the following Directors who retire in accordance with Clause 106 of the Company's Constitution:-	
	(i) Dato' Aminudin Zaki Bin Hashim	**Resolution 6**
	(ii) Nuraini Binti Ismail	**Resolution 7**
7.	To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration.	**Resolution 8**
8.	As Special Business: To consider and, if thought fit, to pass with or without any modifications, the following resolutions:-	
	(a) ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016 ("THE ACT") "THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 & 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Malaysia") AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."	**Resolution 9**

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(b) ORDINARY RESOLUTION
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBS BINA GROUP BERHAD ("LBS") AND ITS SUBSIDIARIES ("LBS GROUP") AND DIRECTORS AND MAJOR SHAREHOLDERS OF LBS GROUP AND PERSONS CONNECTED WITH THEM

Resolution 10

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties stated in Part A of Section 2.3 of the Circular to Shareholders dated 28 April 2023 which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company.

AND THAT such approval shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;
(ii) the expiration of the period within the next Annual General Meeting after this date it is required to be held pursuant to Section 340(2) of the Act, but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the Integrated Annual Report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

(i) the type of transactions made; and
(ii) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular to Shareholders dated 28 April 2023 and/or this resolution."

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(c) ORDINARY RESOLUTION
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Resolution 11**

"THAT, subject always to the provisions under the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("LBS Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as at the point of purchase ("Proposed Renewal of Shares Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any LBS Shares so purchased ("Purchased Shares") by the Company in the following manners:-

(i) to cancel the Purchased Shares;
(ii) to retain the Purchased Shares as treasury shares held by the Company;
(iii) to distribute the treasury shares as dividend to shareholders;
(iv) to resell the treasury shares on Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia;
(v) to transfer the treasury shares for the purposes of or under an employees' share scheme and/or as purchase consideration; and/or
(vi) in such manner as may be permitted pursuant to Section 127 of the Act, the provision of the Main Market Listing Requirements and any other relevant authorities for the time being in force.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

(i) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(d) ORDINARY RESOLUTION
PROPOSED GRATUITY PAYMENT TO FORMER INDEPENDENT NON-EXECUTIVE DIRECTORS

"THAT approval be and is hereby given for the Company to pay a gratuity amounting to RM180,000 to Datuk Dr. Haji Baharum Bin Haji Mohamed, the former Senior Independent Non-Executive Director of the Company, in recognition of his contribution and efforts to the Company AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution." **Resolution 12**

"THAT approval be and is hereby given for the Company to pay a gratuity amounting to RM180,000 to Datuk Lim Si Cheng, the former Independent Non-Executive Director of the Company, in recognition of his contribution and efforts to the Company AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution." **Resolution 13**

9. To consider any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the 23rd AGM, a Final Single-Tier Dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 December 2022 will be paid on 14 September 2023 to depositors registered in the Record of Depositors on 30 August 2023.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

(a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 August 2023 in respect of transfers; and

(b) shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

LEE CHING CHING
CHOOY WAI NEE
Company Secretaries

Petaling Jaya, Selangor
28 April 2023

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

Notes:

(1) The 23rd AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") Facilities via TIIH Online website at http://tiih.online.

(2) Members of the Company are to attend, participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 23rd AGM using RPV Facilities provided by the Company's Share Registrar via TIIH Online website at http://tiih.online. Please follow the Procedures for RPV Facilities provided in the Administrative Guide for the 23rd AGM.

(3) A member of the Company who is entitled to attend, participate, speak and vote at the 23rd AGM via RPV Facilities, may appoint more than 1 proxy to attend and vote instead of the member at the 23rd AGM. A proxy may but need not be a member.

(4) If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facilities, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 23rd AGM.

(5) A member who has appointed a proxy or attorney or authorised representative to participate at the 23rd AGM via RPV Facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV Facilities via TIIH Online website at http://tiih.online. Procedures for RPV Facilities can be found in the Administrative Guide for the 23rd AGM.

(6) In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

(7) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(8) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. Any alteration to the instrument appointing a proxy must be initialled.

(9) The instrument appointing of a proxy may be made in a hard copy form or electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 23rd AGM or adjourned 23rd AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form
a. In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
b. By email to is.enquiry@my.tricorglobal.com or fax to 03-27839222

(ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online and steps to submit are summarised in the Administrative Guide for the 23rd AGM.

(10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the ***ORIGINAL*** *certificate appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, please bring the* ***ORIGINAL*** *certificate of appointment of authorised representative if it has not been deposited with the Share Registrar.*

(11) The certificate of appointment of authorised representative should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(12) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

(13) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Tuesday, 13 June 2023.

(14) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 23rd AGM will be put to vote by way of poll.

Explanatory Notes on Ordinary Business

(1) Item 1 of the Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(2) Ordinary Resolution 2

Pursuant to Section 230(1) of the Act stipulates that the fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting. Therefore, shareholders' approval is required for the determination and payment of Directors' fees amounting to RM260,000 for the financial year ended 31 December 2022.

Non-Executive Directors who are members of the Company will abstain from voting on this Resolution concerning their own remuneration at the 23rd AGM.

(3) Ordinary Resolution 3

The Proposed Directors' Fees, allowances and benefits-in-kind including payments such as meeting allowance, share based benefits, medical and insurance coverage, telecommunication devices, allowance/fee from certain subsidiaries in respect of the significant roles in oversight and the wide-ranging scope of responsibilities.

In determining the estimated total amount payable, the Board considered various factors including the Directors' involvement and responsibilities in the Group. Payment of the fees, allowances and benefits-in-kind will be made in arrears on a monthly basis and/or as and when incurred, if the Ordinary Resolution 3 has been passed. The Board is of the view that it is just and equitable for the Directors to be paid such fees, allowances and benefits-in-kind on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Group throughout the period from the conclusion of the 23rd AGM to the next Annual General Meeting in 2024.

Executive Directors who are members of the Company will abstain from voting on this Resolution concerning their own remuneration at the 23rd AGM.

(4) Ordinary Resolutions 4 to 5

Maj (Hon) Dato' Sri Lim Hock Sing and Dato' Lim Han Boon are standing for re-election as Directors in accordance with Clause 100 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 23rd AGM.

Maj (Hon) Dato' Sri Lim Hock Sing and Dato' Lim Han Boon standing for re-election had undergone the performance evaluation and had individually made declaration of their fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group.

Based on the assessment of the Nomination and Remuneration Committee ("NRC"), the NRC is satisfied that the retiring Directors had demonstrated their commitment and continues to be diligence and competent in the role as Directors and the Board had endorsed the NRC's recommendations. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board's meeting.

The profiles of Maj (Hon) Dato' Sri Lim Hock Sing and Dato' Lim Han Boon are set out in the Board of Directors' Profiles section and details of their interests in the securities of the Company are set out in the Analysis of Shareholdings section of the Company's Integrated Annual Report 2022.

(5) Ordinary Resolution 6 to 7

Dato' Aminudin Zaki Bin Hashim and Nuraini Binti Ismail who were appointed as Independent Non-Executive Directors with effect from 18 April 2023, are standing for re-election as Directors in accordance with Clause 106 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 23rd AGM.

The profiles of Dato' Aminudin Zaki Bin Hashim and Nuraini Binti Ismail are set out in the Board of Directors' Profiles section of the Company's Integrated Annual Report 2022.

(6) Ordinary Resolution 8

The Board has through the Audit Committee, considered the re-appointment of Messrs. UHY as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 23rd AGM are disclosed in the Corporate Governance Overview Statement of the Company's Integrated Annual Report 2022.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

Explanatory Notes on Special Business

(1) Ordinary Resolution 9

The Ordinary Resolution 9 proposed for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

As at the date of this Notice, no new share of the Company was issued pursuant to the mandate granted to the Directors at the Twenty-Second Annual General Meeting held on 16 June 2022.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment, working capital and/or acquisition.

(2) Ordinary Resolution 10

Ordinary Resolution 10, if passed, will allow the Group to enter into the Recurrent Related Party Transactions in its ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This will reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on the Recurrent Related Party Transactions is set out in the Part A of Circular to Shareholders dated 28 April 2023 of the Company.

(3) Ordinary Resolution 11

Ordinary Resolution 11, if passed, will give authority to the Company to purchase its own shares up to ten per centum (10%) of the issued and paid-up share capital of the Company as at the point of purchase. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Part B of Circular to Shareholders dated 28 April 2023 of the Company.

(4) Ordinary Resolution 12

Shareholders' approval is sought for the Proposed Payment in accordance with Section 230(1) of the Act. The proposed Ordinary Resolution 12, if approved, will authorise the Company to pay a sum of RM180,000 to Datuk Dr. Haji Baharum Bin Haji Mohamed, a former Senior Independent Non-Executive Director of the Company, in recognition of his contributions and efforts to the Company.

(5) Ordinary Resolution 13

Shareholders' approval is sought for the Proposed Payment in accordance with Section 230(1) of the Act. The proposed Ordinary Resolution 13, if approved, will authorise the Company to pay a sum of RM180,000 to Datuk Lim Si Cheng, a former Independent Non-Executive Director of the Company, in recognition of his contributions and efforts to the Company.

PRIVACY NOTICE

Dear Sirs/Madams,

This privacy notice for personal data ("**Privacy Notice**") is issued to all shareholders of LBS Group (details of which can be found at https://lbs.com.my/pdpa-notice/) ("**Company**", "**we**", "**us**" or "**our**"), pursuant to the statutory requirements of the Personal Data Protection Act 2010 ("**PDPA**").

During your course of dealings with us, we will collect and process your personal data for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as "**Purposes**").

We will not disclose any of your personal data to any third party without your consent except to the LBS Group, our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at http://www.lbs.com.my/.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide products and/or services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Legal Department
Address: Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
Contact No.: 03-7877 7333
Fax No.: 03-7861 6099
Email Address: pdpa@lbs.com.my

If we do not hear from you within the next fourteen (14) days from the date of issuance of this Privacy Notice, we will take it that you have consented to us continuing to process your personal data in accordance with this Privacy Notice, and we will also take it that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data. You shall also procure the consent of your proxy appointed to attend any general meeting of the Company on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

To the extent that you have provided (or will provide) personal data about your family members, spouse and/or other dependents/ individuals, you confirm that you have explained to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. Any updates and amendments to our Privacy Policy will be posted on our website as above, and you are advised to check the Privacy Policy from time to time. If we amend this Privacy Notice or our Privacy Policy, the amendment(s) will apply retrospectively to all personal data collected.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

NOTIS PRIVASI

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini ("**Notis Privas**i") diberikan kepada semua pemegang saham LBS Group (butirannya boleh didapati di https://lbs.com.my/pdpa-notice/) ("**Syarikat**", "**kita**" atau "**kami**"), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 ("PDPA").

Data peribadi anda yang telah dikumpulkan sebelum ini sedang, dan akan diproses secara berterusan bagi tujuan, termasuk, berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan, serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai "**Tujuan-Tujuan**").

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada syarikat-syarikat LBS Group, penasihat profesional, ejen, vendor, pembekal, kontraktor, pembekal perkhidmatan, rakan kongsi perniagaan, syarikat insurans, bank dan institusi kewangan, agensi kerajaan, pihak berkuasa dan/atau badan berkanun, di dalam atau di luar Malaysia, jikalau perlu, bagi Tujuan-Tujuan yang disebut di atas, kepada mana-mana pihak yang berjanji untuk menyimpan data peribadi anda secara sulit, kepada mana-mana pihak sepertimana yang tertera dalam Polisi Privasi kami, atau sekiranya diperlukan di bawah undang-undang. Sesalinan Polisi Privasi kami boleh didapati di laman web kami di http://www.lbs.com.my/

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan produk dan/atau perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbetulkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemprosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimana pun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

Permintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

Jabatan Undang-Undang
Alamat: Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
No Telefon: 03-7877 7333
No Faks: 03-7861 6099
Alamat E-mel: pdpa@lbs.com.my

Jika kami tidak menerima maklumbalas daripada anda berkenaan dengan perkara di atas dalam tempoh empat belas (14) hari dari tarikh Notis Privasi ini dikeluarkan, kami akan menganggap bahawa anda telah memberi kebenaran kepada kami untuk terus memproses data peribadi anda sepertimana yang tertera dalam Notis Privasi ini, dan kami akan menganggap bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung Syarikat bagi pihak anda, sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Berkenaan dengan individu yang belum mencapai usia dewasa (iaitu individu di bawah umur 18 tahun) atau individu yang tidak mempunyai kompeten untuk memberi persetujuan, anda mengesahkan bahawa anda ialah ibu bapa atau penjaga atau orang yang mempunyai kewajipan terhadap mereka atau orang yang dilantik oleh mahkamah untuk menguruskan urusan mereka atau mereka telah melantik anda untuk mewakili mereka, untuk memberi persetujuan bagi pihak mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan di laman web kami seperti di atas, dan anda dinasihatkan untuk menyemak Polisi Privasi dari semasa ke semasa. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu akan berkuat-kuasa secara retrospektif kepada semua data peribadi yang dikumpul.

Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunapakai.

FORM OF PROXY

I/We ______________________________ NRIC No. / Company No. ____________________

of ____

being a member/members of **LBS BINA GROUP BERHAD**, hereby appoint:-

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held on a fully virtual basis through live streaming and online remote voting via TIIH Online website at http://tiih.online on Tuesday, 20 June 2023 at 2.00 p.m. or at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		
Ordinary Resolution 13		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ____________________ day of ______________ 2023

No. of Shares Held	
CDS Account No.	

____

Signature/ Common Seal of Shareholder(s)

NOTES:

(1) The 23rd AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") Facilities via TIIH Online website at http://tiih.online.

(2) Members of the Company are to attend, participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 23rd AGM using RPV Facilities provided by the Company's Share Registrar via TIIH Online website at http://tiih.online. Please follow the Procedures for RPV Facilities provided in the Administrative Guide for the 23rd AGM.

(3) A member of the Company who is entitled to attend, participate, speak and vote at the 23rd AGM via RPV Facilities, may appoint more than 1 proxy to attend and vote instead of the member at the 23rd AGM. A proxy may but need not be a member.

(4) If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facilities, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 23rd AGM.

(5) A member who has appointed a proxy or attorney or authorised representative to participate at the 23rd AGM via RPV Facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV Facilities via TIIH Online website at http://tiih.online. Procedures for RPV Facilities can be found in the Administrative Guide for the 23rd AGM.

(6) In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

(7) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(8) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. Any alteration to the instrument appointing a proxy must be initialled.

(9) The instrument appointing of a proxy may be made in a hard copy form or electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 23rd AGM or adjourned 23rd AGM at which the person named in the appointment proposes to vote:
- (i) In hard copy form
  - a. In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - b. By email to is.enquiry@my.tricorglobal.com or fax to 03-27839222
- (ii) By electronic form

  The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online and steps to submit are summarised in the Administrative Guide for the 23rd AGM.

(10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been deposited with the Share Registrar.

(11) The certificate of appointment of authorised representative should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
  - (a) at least two (2) authorised officers, of whom one shall be a director; or
  - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(12) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(13) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Tuesday, 13 June 2023.

(14) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 23rd AGM will be put to vote by way of poll.

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STAMP

The Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

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BELIEVE • BECOME • BEHOLD

LBS BINA GROUP BERHAD
[REGISTRATION NO. 200001015875 (518482-H)
Plaza Seri Setia, Level 1-4,
No. 1, Jalan SS9/2,
47300 Petaling Jaya,
Selangor, Malaysia

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F +603 7877 7111

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