



LBS BINA GROUP BERHAD

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

Interim Financial Report

31 December 2020

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	Page No.
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 14
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)	15 - 21

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
- For the financial year ended 31 December 2020

	Note	Unaudited Individual Quarter		Unaudited Cumulative Period	
		Current Year Quarter 31.12.2020 RM'000	Preceding Year Quarter 31.12.2019 RM'000	Current Year To date 31.12.2020 RM'000	Preceding Year To date 31.12.2019 RM'000
Revenue		275,469	291,155	1,077,282	1,325,260
Cost of sales		(174,685)	(203,926)	(755,620)	(954,008)
Gross profit		100,784	87,229	321,662	371,252
Interest income		824	1,919	4,169	5,668
Other income		11,640	6,695	23,263	18,849
Administrative and operating expenses		(54,697)	(45,463)	(176,474)	(181,356)
Finance costs		(8,846)	(16,416)	(43,057)	(60,389)
Share of (loss)/profit of associates, net of tax		(10)	84	86	41
Profit before tax		49,695	34,048	129,649	154,065
Taxation	B5	(17,071)	(13,976)	(55,055)	(65,487)
Net profit for the financial year		32,624	20,072	74,594	88,578
Net profit for the financial year attributable to:					
Owners of the parent		18,377	14,743	50,616	67,511
Non-controlling interests		14,247	5,329	23,978	21,067
		32,624	20,072	74,594	88,578
Earnings per share attributable to owners of the parent:					
Basic (sen)	B10	0.79	0.54	2.60	3.93
Diluted (sen)	B10	0.79	0.54	2.60	3.90

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
- For the financial year ended 31 December 2020 (*cont'd*)

	Unaudited		Unaudited	
	Individual Quarter		Cumulative Period	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To date	To date
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	32,624	20,072	74,594	88,578
Other comprehensive income, net of tax:				
Changes of stakes in a subsidiary company	-	1,896	(1,145)	1,800
Exchange translation differences for foreign operations	964	(1,418)	3,185	(887)
Net fair value changes of financial assets measured at fair value through other comprehensive income ("FVTOCI")	-	19,549	229	12,953
Total comprehensive income for the financial year	<u>33,588</u>	<u>40,099</u>	<u>76,863</u>	<u>102,444</u>
Total comprehensive income for the financial year attributable to:				
Owners of the parent	18,406	12,062	54,728	61,693
Non-controlling interests	15,182	28,037	22,135	40,751
	<u>33,588</u>	<u>40,099</u>	<u>76,863</u>	<u>102,444</u>

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As at 31 December 2020

	Notes	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	A10	42,727	42,054
Right-of-use assets		308,287	310,928
Capital work-in-progress		122,897	84,801
Inventories - land held for property development		1,353,331	1,478,792
Investment properties		149,986	164,247
Investment in associates		2,649	2,562
Trade receivables		3,985	3,368
Other investments		576	50,393
Intangible assets		347	1,527
Goodwill on consolidation		100,320	113,166
		2,085,105	2,251,838
Current assets			
Inventories - property development costs		707,067	565,750
Inventories - completed properties and others		270,191	259,714
Contract assets		526,211	388,234
Trade and other receivables		316,597	529,598
Other investments		-	9,621
Tax recoverable		5,295	4,745
Fixed deposits with licensed banks		20,620	58,166
Cash held under Housing Development Accounts		153,768	105,407
Cash and bank balances		129,234	112,830
		2,128,983	2,034,065
Assets held for sale		339	4,088
		2,129,322	2,038,153
TOTAL ASSETS		4,214,427	4,289,991
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital		819,378	817,569
Redeemable Convertible Preference Shares ("RCPS")		103,509	104,904
Reserves		464,600	437,114
Treasury shares, at cost		(2,686)	(10,933)
Equity attributable to owners of the parent		1,384,801	1,348,654
Perpetual Sukuk Musharakah ("Perpetual Sukuk")		130,000	-
Non-controlling interests		111,975	109,810
TOTAL EQUITY		1,626,776	1,458,464

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- As at 31 December 2020 (*cont'd*)

	Notes	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
LIABILITIES			
Non-current liabilities			
Trade and other payables		511,476	498,896
Lease liabilities	B7	24,469	27,553
Bank borrowings	B7	359,247	498,755
Sukuk Murabahah ("Sukuk")	B7	75,622	84,824
Deferred tax liabilities		726	3,723
		971,540	1,113,751
Current liabilities			
Contract liabilities		29,853	53,929
Trade and other payables		903,418	961,400
Bank overdrafts	B7	79,913	93,795
Lease liabilities	B7	13,473	14,350
Bank borrowings	B7	553,816	510,001
Sukuk	B7	9,202	4,452
Redeemable Convertible Preference Shares ("RCPS")	B7	-	20,000
Tax payable		26,436	59,849
		1,616,111	1,717,776
TOTAL LIABILITIES		2,587,651	2,831,527
TOTAL EQUITY AND LIABILITIES		4,214,427	4,289,991
Net assets per share attributable to owners of the parent (RM)		0.89	0.87

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- For the financial year ended 31 December 2020 (The figures have not been audited)

	←----- Attributable to owners of the parent ----->											
	←----- Non-distributable ----->							<----- Distributable ----->				
	Share capital	RCPS	Treasury shares	ESOS reserve	Foreign exchange reserve	Warrant reserve	Other reserves	Retained earnings	Sub-total	Perpetual Sukuk	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2020	817,569	104,904	(10,933)	4,482	110,029	21,353	(297,820)	599,070	1,348,654	-	109,810	1,458,464
Amount recognised directly in equity:												
Net profit for the financial year	-	-	-	-	-	-	-	50,616	50,616	-	23,978	74,594
Changes of stakes in a subsidiary company	-	-	-	-	-	-	965	-	965	-	(2,110)	(1,145)
Foreign exchange translation reserve	-	-	-	-	2,933	-	(15)	-	2,918	-	267	3,185
Net fair value changes of financial assets measured at FVTOCI	-	-	-	-	-	-	229	-	229	-	-	229
Transfer upon the disposal of equity investment designated at FVTOCI	-	-	-	-	-	-	184	(184)	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	2,933	-	1,363	50,432	54,728	-	22,135	76,863
Transactions with owners:												
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	184	184
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	5,257	-	5,257	-	(15,915)	(10,658)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Dividend paid	-	-	21,832	-	-	-	-	(28,043)	(6,211)	-	-	(6,211)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,200)	(4,200)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	-	(4,456)	(4,456)	-	-	(4,456)
Issuance of ordinary shares:												
- Exercise of warrants	414	-	-	-	-	-	-	-	414	-	-	414
- Conversion of RCPS	1,395	(1,395)	-	-	-	-	-	-	-	-	-	-
Issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	130,000	-	130,000
Shares repurchased	-	-	(13,585)	-	-	-	-	-	(13,585)	-	-	(13,585)
Total transactions with owners	1,809	(1,395)	8,247	-	-	-	5,257	(32,499)	(18,581)	130,000	(19,970)	91,449
At 31.12.2020	819,378	103,509	(2,686)	4,482	112,962	21,353	(291,200)	617,003	1,384,801	130,000	111,975	1,626,776

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

- For the financial year ended 31 December 2020 (cont'd) (The figures have not been audited)

	← Attributable to owners of the parent →										
	← Non-distributable →							←-Distributable->			
	Share capital RM'000	RCPS RM'000	Treasury shares RM'000	ESOS reserve RM'000	Foreign exchange reserve RM'000	Warrants reserves RM'000	Other reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1.1.2019											
- as previously reported	809,604	112,629	(88)	5,008	111,312	21,353	(277,835)	567,472	1,349,455	67,601	1,417,056
- effect of adopting MFRS 16	-	-	-	-	-	-	-	8	8	-	8
At 1.1.2019, as restated	809,604	112,629	(88)	5,008	111,312	21,353	(277,835)	567,480	1,349,463	67,601	1,417,064
Amount recognised directly in equity:											
Net profit for the financial year	-	-	-	-	-	-	-	67,511	67,511	21,067	88,578
Changes of stakes in a subsidiary company	-	-	-	-	-	-	(16,977)	-	(16,977)	18,777	1,800
Changes in equity interest	-	-	-	-	-	-	(511)	-	(511)	511	-
Foreign exchange translation reserve	-	-	-	-	(1,283)	-	-	-	(1,283)	396	(887)
Net fair value changes of financial assets measured at FVTOCI	-	-	-	-	-	-	12,953	-	12,953	-	12,953
Transfer upon the disposal of equity investment designated at FVTOCI	-	-	-	-	-	-	2,043	(2,043)	-	-	-
Total comprehensive income for the financial year	-	-	-	-	(1,283)	-	(2,492)	65,468	61,693	40,751	102,444
Transactions with owners:											
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(17,493)	-	(17,493)	1,458	(16,035)
Dividend paid	-	-	-	-	-	-	-	(34,347)	(34,347)	-	(34,347)
Issuance of ordinary shares:											
- Exercise of Employees' Share Option Scheme ("ESOS")	240	-	-	(57)	-	-	-	-	183	-	183
- Conversion of RCPS	7,725	(7,725)	-	-	-	-	-	-	-	-	-
Realisation of ESOS reserve	-	-	-	(469)	-	-	-	469	-	-	-
Shares repurchased	-	-	(10,845)	-	-	-	-	-	(10,845)	-	(10,845)
Total transactions with owners	7,965	(7,725)	(10,845)	(526)	-	-	(17,493)	(33,878)	(62,502)	1,458	(61,044)
At 31.12.2019	817,569	104,904	(10,933)	4,482	110,029	21,353	(297,820)	599,070	1,348,654	109,810	1,458,464

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the financial year ended 31 December 2020

	Unaudited Current Year Ended 31.12.2020 RM'000	Audited Preceding Year Ended 31.12.2019 RM'000
Cash Flows From Operating Activities		
Profit before tax	129,649	154,065
Adjustments for:		
Non-cash items	21,763	13,423
Other operating items	38,797	53,221
Operating profit before changes in working capital	<u>190,209</u>	<u>220,709</u>
Changes in working capital:		
Inventories - land and property development costs	3,727	47,538
Inventories - completed properties and others	(11,208)	33,050
Contract assets	(137,978)	(184,301)
Contract liabilities	(24,075)	902
Receivables	218,229	277,294
Payables	12,372	55,348
Foreign exchange reserve	(3,729)	3,120
	<u>57,338</u>	<u>232,951</u>
Cash generated from operations	247,547	453,660
Dividends received	-	1,459
Interest received	4,170	5,669
Interest paid	(56,756)	(93,504)
Tax paid	(98,727)	(65,937)
Tax refund	3,909	3,108
	<u>(147,404)</u>	<u>(149,205)</u>
Net cash from operating activities	<u>100,143</u>	<u>304,455</u>
Cash Flows From Investing Activities		
Additional investment in:		
- Subsidiary companies and associates	(10,940)	(3,839)
- Financial assets measured at fair value through profit or loss ("FVTPL")	(14,600)	(32,047)
Repayment of prior years' investment in subsidiary companies and associates	(14,935)	(13,935)
Purchase of:		
- Investment properties	(5,945)	-
- Property, plant and equipment	(11,643)	(10,271)
- Right-of-use assets	(11,782)	(3,114)
Proceeds from disposal of:		
- Assets held for sale	5,679	-
- Financial assets measured at FVTPL	24,300	26,047
- Financial assets measured at FVTOCI	49,748	36,180
- Investment properties	22,261	358
- Property, plant and equipment	3,062	558
- Right-of-use assets	541	652
Deposits and consideration paid for acquisition and joint venture of future development lands	(30,660)	(104,963)
Net cash outflows from disposal of a subsidiary company	(82)	-
Acquisition of subsidiary companies, net of cash acquired	207	-
Capital work-in-progress incurred	(38,338)	(48,629)
Net cash used in investing activities	<u>(33,127)</u>	<u>(153,003)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the financial year ended 31 December 2020 (cont'd)

	Unaudited Current Year Ended 31.12.2020 RM'000	Audited Preceding Year Ended 31.12.2019 RM'000
Cash Flows From Financing Activities		
Decrease/(Increase) in fixed deposits pledged	37,019	(18,983)
Decrease/(Increase) in cash and bank balances pledged	4,274	(4,883)
Drawdown of bank borrowings	536,495	811,589
Repayment of bank borrowings	(633,909)	(809,902)
Repayment of Sukuk	(4,452)	(9,659)
Repayment of RCPS (liability component)	(20,000)	(30,000)
Proceeds from issuance of Perpetual Sukuk	130,000	-
Distribution to holders of Perpetual Sukuk	(4,456)	-
Dividends paid to shareholders	(6,211)	(34,347)
Net movement of amount due to holding company	-	(7,020)
Dividend paid to non-controlling interests	(4,200)	-
Proceeds from:		
- Exercise of ESOS	-	183
- Exercise of warrants	414	-
- Exercise of warrants in a subsidiary company by non-controlling interests	-	14
Purchase of treasury shares	(13,585)	(10,845)
Repayment of lease liabilities	(5,459)	(13,359)
Net cash from/(used in) financing activities	<u>15,930</u>	<u>(127,212)</u>
Net increase in cash and cash equivalents	82,946	24,240
Effect of exchange rate changes	(553)	(185)
Cash and cash equivalents at the beginning of the financial year	116,272	92,217
Cash and cash equivalents at the end of the financial year	<u>198,665</u>	<u>116,272</u>
Cash and cash equivalents at the end of the financial year comprises:		
Fixed deposits with licensed banks	20,620	58,166
Cash held under Housing Development Accounts	153,768	105,407
Cash and bank balances	129,234	112,830
Bank overdrafts	(79,913)	(93,795)
	<u>223,709</u>	<u>182,608</u>
Less : Fixed deposits pledged with licensed banks	(20,597)	(57,616)
Cash and bank balances pledged	(4,447)	(8,720)
	<u>198,665</u>	<u>116,272</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 : *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Securities.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

A2. Changes in accounting policies

Basis of accounting

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies below.

Standards issued but not yet effective

The Group has not applied the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

		<u>Effective date for financial period beginning on or after</u>
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRSs Standards 2018-2020:		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
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 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above new standards and amendments to standards when they become effective.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group during the financial year under review have not been materially affected by any significant seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the financial year under review.

A6. Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year's results.

A7. Debt and equity securities

There were no issuances, repurchases, cancellations, resale and repayments of debts and equity securities during the current financial year, save and except as follows:

a) Shares repurchased

The Company repurchased 31,751,400 of its ordinary shares in the open market for a total consideration of RM13,584,876 and retained as treasury shares of the Company.

A total of 45,484,206 treasury shares were distributed as share dividends to the shareholders on 14 August 2020 on the basis of 3 treasury shares for every 100 existing ordinary shares held, fractions of treasury shares will be disregarded.

b) Issuance of shares pursuant to the conversion of Warrant B

A total of 739,098 Warrant B were converted into ordinary shares at an exercise price of RM0.56 per Warrant B which have resulted in 739,098 ordinary shares being issued.

c) Issuance of shares pursuant to the conversion of RCPS

A total of 1,268,220 RCPS were converted into ordinary shares at the conversion ratio of 11 new ordinary shares for 10 RCPS which have resulted in 1,395,042 ordinary shares being issued.

d) Perpetual Sukuk Musharakah ("Perpetual Sukuk")

On 30 March 2020, the Company had issued the first tranche of secured unrated Perpetual Sukuk totaling RM130.0 million in nominal value out of its newly established RM700.0 million Perpetual Sukuk Programme.

The Perpetual Sukuk has a tenor of perpetual non-callable 5 years with an initial periodic distribution rate of 6.80% per annum.

A8. Dividend paid

(I) Ordinary shares

There was no dividend paid during the quarter under review.

(II) RCPS

During the quarter under review, dividend of 6.6 sen per RCPS in respect of the financial year ended 31 December 2020 was paid on 31 December 2020.

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A9. Segment information

Year ended 31 December 2020

	Property Development RM'000	Construction and Trading RM'000	Management, Investment and Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
Revenue					
Total revenue	1,016,212	497,581	201,052	23,188	1,738,033
Less: Inter-segment revenue	-	(465,433)	(195,318)	-	(660,751)
Revenue from external customers	<u>1,016,212</u>	<u>32,148</u>	<u>5,734</u>	<u>23,188</u>	<u>1,077,282</u>
Financial Results					
Segment results	137,749	16,160	9,901	4,641	168,451
Interest income	2,919	274	756	220	4,169
Finance costs	(11,020)	(5,699)	(25,150)	(1,188)	(43,057)
Share of profit/(loss) of associates, net of tax	-	111	(25)	-	86
Profit/(Loss) before tax	<u>129,648</u>	<u>10,846</u>	<u>(14,518)</u>	<u>3,673</u>	<u>129,649</u>
Taxation	(45,044)	(7,795)	(3,827)	1,611	(55,055)
Net profit/(loss) for the financial year	<u>84,604</u>	<u>3,051</u>	<u>(18,345)</u>	<u>5,284</u>	<u>74,594</u>
Assets					
Additions to non-current assets	135,747	24,485	5,944	311	166,487
Segment assets	<u>3,221,268</u>	<u>220,195</u>	<u>565,312</u>	<u>207,652</u>	<u>4,214,427</u>
Other non-cash expenses					
Allowance for impairment losses on:					
- Assets held for sale	89	-	-	-	89
- Goodwill arising on consolidation	12,846	-	-	-	12,846
- Other investments	-	-	34	-	34
- Receivables	56	-	62	-	118
Allowance for expected credit losses on receivables	1,222	-	49	-	1,271
Amortisation of intangible assets	-	-	1,180	-	1,180
Bad debts written off	470	-	912	-	1,382
Depreciation of:					
- Investment properties	60	704	1,508	-	2,272
- Property, plant and equipment	1,138	5,519	2,770	502	9,929
- Right-of-use assets	5,493	7,528	3,152	7,441	23,614
Fair value loss on revaluation of financial assets measured at FVTPL	10	-	-	-	10
Loss on disposal of:					
- A subsidiary company	-	-	44	-	44
- Financial assets measured at FVTPL	-	-	3	-	3
- Investment properties	65	-	-	-	65
Property development costs written off	440	-	-	-	440
Deposits written off	-	-	19	-	19
Property, plant and equipment written off	-	-	1	9	10
Provision for claims and staff economic compensation	-	-	-	13	13
Unrealised loss on foreign exchange	-	-	745	261	1,006
Waiver of interest income	1,458	-	-	-	1,458
Other non-cash income					
Contingency sum provided in prior years no longer required	(19,516)	-	-	-	(19,516)
Dividend income from financial assets measured at FVTPL	(56)	-	(27)	-	(83)
Fair value gain on revaluation of financial assets measured at FVTPL	-	-	(2)	-	(2)
Fair value adjustment on trade receivables	-	-	(52)	-	(52)
Gain on disposal of:					
- Assets held for sale	(781)	-	(568)	-	(1,349)
- Financial assets measured at FVTPL	(7)	-	-	-	(7)
- Investment properties	-	-	(2,400)	-	(2,400)
- Property, plant and equipment	(2)	(82)	(345)	-	(429)
- Right-of-use assets	-	(258)	-	-	(258)
Negative goodwill	-	-	(420)	-	(420)
Reversal of allowance for expected credit losses on receivables	(233)	(46)	-	-	(279)
Reversal of allowance for impairment losses on receivables	(1,374)	(2)	(937)	-	(2,313)
Claims provided in prior years no longer required	-	-	-	(6,928)	(6,928)
Waiver of debts	(4)	-	-	-	(4)

LBS BINA GROUP BERHAD (Registration No: 200001015875 (518482-H))
A9. Segment information (cont'd)
Year ended 31 December 2019

	Property Development RM'000	Construction and Trading RM'000	Management, Investment and Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
Revenue					
Total revenue	1,181,034	656,383	129,979	25,094	1,992,490
Less: Inter-segment revenue	-	(544,719)	(122,511)	-	(667,230)
Revenue from external customers	1,181,034	111,664	7,468	25,094	1,325,260
Financial Results					
Segment results	182,544	22,869	7,817	(4,485)	208,745
Interest income	4,488	84	990	106	5,668
Finance costs	(11,377)	(7,468)	(40,374)	(1,170)	(60,389)
Share of profit/(loss) of associates, net of tax	-	69	(28)	-	41
Profit/(Loss) before tax	175,655	15,554	(31,595)	(5,549)	154,065
Taxation	(50,455)	(7,900)	(8,722)	1,590	(65,487)
Net profit/(loss) for the financial year	125,200	7,654	(40,317)	(3,959)	88,578
Assets					
Additions to non-current assets	215,376	18,887	8,927	3,094	246,284
Segment assets	3,238,969	243,733	601,670	205,619	4,289,991
Other non-cash expenses					
Allowance for impairment losses on:					
- Contract assets	-	157	-	-	157
- Goodwill arising on consolidation	342	-	-	-	342
- Investment in associates	-	-	251	-	251
- Investment properties	24	-	-	-	24
- Other investments	-	-	150	-	150
- Property, plant and equipment	-	-	15	-	15
- Receivables	640	43	331	890	1,904
Amortisation of intangible assets	-	-	806	-	806
Bad debts written off	9	-	605	77	691
Capital work-in-progress written off	-	-	256	-	256
Property development costs written off	12	-	-	-	12
Deposit written off	50	2	123	-	175
Depreciation of:					
- Investment properties	65	661	1,751	-	2,477
- Property, plant and equipment	972	5,070	3,608	453	10,103
- Right-to-use assets	4,353	6,486	3,616	6,756	21,211
Fair value loss on revaluation of financial assets measured at FVTPL	26	-	-	-	26
Fair value adjustment on trade receivables	-	-	117	-	117
Loss on disposal of investment properties	189	-	-	-	189
Property, plant and equipment written off	-	-	114	22	136
Provision for claims and staff economic compensation	-	-	-	599	599
Unrealised loss on foreign exchange	-	-	85	-	85
Waiver of interest income	1,039	-	-	-	1,039
Other non-cash income					
Contingency sum provided in prior years no longer required	(23,870)	-	-	-	(23,870)
Dividend income from financial assets measured at FVTPL	(343)	-	(136)	-	(479)
Fair value gain on revaluation of financial assets measured at FVTPL	(36)	-	(6)	-	(42)
Gain on disposal of:					
- Investment properties	-	-	(99)	-	(99)
- Property, plant and equipment	(44)	(207)	(5)	-	(256)
- Right-of-use-assets	(206)	-	(239)	-	(445)
Reversal of allowance for expected credit losses on receivables	(665)	(41)	(61)	-	(767)
Reversal of allowance for impairment losses on receivables	(464)	-	(604)	(104)	(1,172)
Unrealised gain on foreign exchange	-	-	(66)	(92)	(158)
Waiver of debts	(19)	-	(35)	-	(54)

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

A10. Valuation of property, plant and equipment

There was no fair value adjustment to the property, plant and equipment since the last annual audited financial statements.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter except for the following:

- (i) On 10 December 2020, Galeri Cekap Sdn. Bhd. ("GCSB"), a wholly-owned subsidiary company of LBS Bina Holdings Sdn. Bhd. ("LBS Bina"), a wholly-owned subsidiary company of the Company, acquired 700,000 ordinary shares representing 70% equity interest in Leaptec Engineering Sdn. Bhd. ("LESB") for a total cash consideration of RM10,000 only. Consequently, LESB became a 70% owned subsidiary company of GCSB.
- (ii) On 31 December 2020, LBS Bina acquired 370,000 ordinary shares representing 13.33% equity interest in Seloka Sinaran Sdn. Bhd. ("SSSB") for a total cash consideration of RM7,450,000 only. Consequently, SSSB became a 94.33% owned subsidiary company of LBS Bina.

A12. Material events subsequent to the end of financial year

There were no material subsequent events as at 18 February 2021, being the latest practicable date, which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 December 2020 were as follows:

	Amount RM'000
Approved and contracted for:	
a) Property development land	
- Development Rights Agreements	86,940
- Joint Venture Agreements	419,482
b) Property, plant and equipment and right-of-use assets	2,179
c) Constuction of investment properties	10,943
	<u>519,544</u>

A14. Changes in contingent assets or contingent liabilities

	31.12.2020 RM'000	31.12.2019 RM'000
Bank guarantees for:		
- Property Development	49,743	49,464
- Construction Contracts	3,633	3,561
- Others	48	48
	<u>53,424</u>	<u>53,073</u>

There were no contingent assets as at the date of this interim financial report.

A15. Significant related party transactions

The related party transactions during the current financial year were summarised as below:

	Amount RM'000
Income	
Rental income	35
Sale of development properties	2,098
Cost sharing with landowner	99
Expenses	
Dividends paid	13,933
Equity instrument	10,695
Finance costs	1
Legal fee	604
Lease expenses	85
Rendering of services	1,240

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

- (i) A firm or companies in which a close family member of certain Directors of the Company or subsidiary companies have financial interest;
- (ii) A firm or companies in which certain Directors of the Company or its subsidiary companies have financial interest;
- (iii) Persons who have financial interest in subsidiary companies;
- (iv) Directors and key management personnel of the Company or its subsidiary companies 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.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group performance

The performance of the respective operating business segments is analysed as follows:

	Individual Quarter			Cumulative Period		
	Current Year	Preceding	Changes	Current Year	Preceding Year	Changes
	Quarter	Year Quarter		To date	To date	
	31.12.2020	31.12.2019	%	31.12.2020	31.12.2019	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Property Development	249,860	280,011	-11%	1,016,212	1,181,034	-14%
Construction and Trading	167,015	156,048	7%	497,581	656,383	-24%
Management, Investment and Others	61,563	31,332	96%	201,052	129,979	55%
Motor Racing Circuit	15,853	6,690	137%	23,188	25,094	-8%
	<u>494,291</u>	<u>474,081</u>	4%	<u>1,738,033</u>	<u>1,992,490</u>	-13%
Less: Inter-segment revenue	<u>(218,822)</u>	<u>(182,926)</u>	-20%	<u>(660,751)</u>	<u>(667,230)</u>	1%
	<u>275,469</u>	<u>291,155</u>	-5%	<u>1,077,282</u>	<u>1,325,260</u>	-19%
Profit/(Loss) before tax						
Property Development	40,377	39,532	2%	129,648	175,655	-26%
Construction and Trading	993	2,183	-55%	10,846	15,554	-30%
Management, Investment and Others	(4,429)	(7,691)	42%	(14,518)	(31,595)	54%
Motor Racing Circuit	12,754	24	53042%	3,673	(5,549)	166%
	<u>49,695</u>	<u>34,048</u>	46%	<u>129,649</u>	<u>154,065</u>	-16%

For the current quarter ("Q4 2020"), the Group recorded revenue of RM275 million and profit before tax ("PBT") of RM50 million as compared to revenue of RM291 million and PBT of RM34 million in the previous year corresponding quarter ("Q4 2019").

For the financial year ended 31 December 2020 ("FY 2020"), the Group achieved revenue of RM1.1 billion and PBT of RM130 million as compared to revenue of RM1.3 billion and PBT of RM154 million in the financial year ended 31 December 2019 ("FY 2019").

Property Development

For the FY 2020, Property Development segment recorded lower revenue and lower PBT. The decrease in both revenue and PBT were mainly due to the suspension of construction activities, weaker sales and limited business operations during the Movement Control Order ("MCO 1.0").

Revenue and PBT were mainly contributed by the development projects at KITA@Cybersouth, LBS Alam Perdana, Skylake Residence, Residensi Bintang Bukit Jalil and Cameron Golden Hills.

Projects within the Klang Valley remain as the largest revenue contributor, accounting for more than 75% of the Group's revenue for the FY 2020.

B1. Review of Group performance (cont'd)

Construction and Trading

For the FY 2020, Construction and Trading segment recorded revenue and PBT of RM498 million and RM11 million respectively as compared to revenue of RM656 million and PBT of RM16 million for the FY 2019.

The revenue and PBT were primarily contributed from in-house projects. The decrease in both revenue and PBT were mainly due to the suspension of construction activities during the MCO 1.0.

Management, Investment and Others

For the FY 2020, Management, Investment and Others segment recorded revenue of RM201million and loss before tax ("LBT") of RM15 million as compared to revenue of RM130 million and LBT of RM32 million for the FY 2019.

The changes in revenue and PBT were mainly due to intra-group transactions.

Motor Racing Circuit

For the FY 2020, Motor Racing Circuit segment recorded revenue of RM23 million and PBT of RM4 million as compared to revenue of RM25 million and LBT of RM6 million for the FY 2019.

The decrease in revenue was mainly due to the postponement of scheduled racing events during the lockdown period and the increase in PBT was arising from the one off write back of provision for claims.

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

	Current Quarter 31.12.2020 RM'000	Immediate Preceding Quarter 30.09.2020 RM'000	Changes (%)
Revenue	275,469	335,650	-18%
Profit before tax ("PBT")	49,695	43,482	14%

For the Q4 2020, the Group recorded revenue of RM275 million and PBT of RM50 million as compared to revenue of RM336 million and PBT of RM43 million in the immediate preceding quarter.

The revenue was lower mainly attributable to the slower progressive recognition of revenue from its on-going projects.

B3. Group’s prospects for the next financial year

The Group registered sales of RM1.2 billion in the FY 2020 and exceeded its revised sales target of RM1 billion.

Since affordability remains the key concern for homebuyers, the Group will continue to focus its strategy of building properties and townships based on the three main pillars of **affordability, connectivity and community**”.

The Group plans to launch projects worth an estimated Gross Development Value (“GDV”) of RM2.65 billion this year.

New developments are already in the pipeline for Klang Valley – Cybersouth, Dengkil and Bandar Puncak Alam. These new developments range from serviced apartments to single and double storey homes. Over in Pahang, new developments include Bayu Hills serviced apartment in Genting Permai and Cameron Centrum double storey terrace houses.

The property industry is expected to remain challenging in light of the economic uncertainties brought by the Covid-19 pandemic. However, the Group will continue to adapt to new norms, shifting marketing strategies by further penetrating the digital platforms.

As at 31 December 2020, the Group has a land bank size of 3,412 acres and unbilled sales of RM2.2 billion, supported by its 19 ongoing development projects with an estimated GDV of RM4.95 billion. The Group is still positive on its prospects ahead with the National Covid-19 Immunisation Programme underway.

B4. Profit forecast or profit guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee to the public.

B5. Taxation

The breakdown of tax expense was as follows:

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.12.2020 RM’000	Preceding year Quarter 31.12.2019 RM’000	Current year To date 31.12.2020 RM’000	Preceding year To date 31.12.2019 RM’000
Current year tax provision	18,966	11,721	61,208	66,400
(Over)/Under provision in prior years	(1,554)	(32)	(1,531)	657
Deferred taxation	(341)	2,287	(4,622)	(1,570)
Total tax expense	17,071	13,976	55,055	65,487

The effective tax rate of the Group for the current quarter and financial year were higher than the statutory tax rate of 24% mainly due to losses of certain subsidiary companies which cannot set off against taxable profits made by other subsidiary companies, non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.

B6. Status of corporate proposals

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 18 February 2021, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report:

- (i) On 8 March 2017, the Company's indirect subsidiary company, Biz Bena Development Sdn. Bhd. has entered into a Joint Development Agreement with YPJ Plantations Sdn. Bhd. for the proposed development project on a piece of leasehold land with the total land area measuring approximately 541.4 acres held under part of the master title Pajakan Negeri No Hakmilik 57334 Lot 22825 (known as HSD 28627 PTD 10202) in Mukim of Ulu Sungai Johor, District of Kota Tinggi, in the state of Johor.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (ii) On 27 May 2019, MGB Berhad ("MGB") together with PNSB Construction Sdn. Bhd. ("PCSB") (collectively referred to as the "Consortium"), has entered into a Development Rights Agreement ("DRA") with Must Ehsan Development Sdn. Bhd. for the development on 3 parcels of leasehold lands all situated in Seksyen 7, Bandar Shah Alam, Daerah Petaling, Negeri Selangor.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (iii) On 24 January 2020, the Consortium of PCSB and MGB together with MGB's indirect wholly-owned subsidiary company, Idaman Living Sdn. Bhd. has entered into a DRA with Solid Benefit Sdn. Bhd. and Eco Green City Sdn. Bhd. for the proposed development on a piece of leasehold land with the total land area measuring approximately 4.882 hectares held under PN116631 Lot 120760 (previously held under HSD 43589 PT 54535) in Mukim Dengkil, Daerah Sepang, in the state of Selangor into affordable homes under Rumah Selangorku Idaman Scheme.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (iv) On 24 January 2020, the Consortium of PCSB and MGB together with MGB's indirect wholly-owned subsidiary company, Idaman Aktif Sdn. Bhd. has entered into a Joint Venture Agreement with Abadi Man Nien Sdn. Bhd. for the proposed development on two pieces of leasehold lands held under H.S.(M) 22704 PT 49907 measuring approximately 8,743 square meters and H.S.(M) 22705 PT49908 measuring approximately 15,769 square meters in Mukim Dengkil, Daerah Sepang, Negeri Selangor into affordable homes under Rumah Selangorku Idaman Scheme.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (v) On 4 September 2020, the Company had signed a Memorandum of Understanding ("MOU") with Zhuhai Jiuzhou Holdings Group Co., Ltd. ("JZ") expressing JZ's intention to acquire the Company's entire 60% rights and interests in Zhuhai International Circuit Limited ("ZIC"), a subsidiary company of Lamdeal Investments Limited ("LIL"), an indirect wholly-owned subsidiary company of the Company.

The MOU is not legally binding except for the clauses on Confidentiality and the Expiry Date. The structure, arrangement, terms and conditions of the proposed acquisition by JZ shall be subjected to the definitive agreement legally executed upon negotiation.

The MOU will expire six (6) months from the date of the MOU or such extended time as may be agreed between the parties.

B7. Borrowings and debt securities

The Group borrowings and debt securities were as follows:

Year ended 31.12.2020

	<u>Long-term</u> RM'000	<u>Short-term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	79,913	79,913
Lease liabilities	24,469	13,473	37,942
Bank borrowings	359,247	553,816	913,063
Sukuk	75,622	9,202	84,824
Total borrowings	<u>459,338</u>	<u>656,404</u>	<u>1,115,742</u>

Year ended 31.12.2019

	<u>Long-term</u> RM'000	<u>Short-term</u> RM'000	<u>Total borrowings</u> RM'000
<u>Secured</u>			
Bank overdrafts	-	93,795	93,795
Lease liabilities	27,553	14,350	41,903
Bank borrowings	498,755	510,001	1,008,756
Sukuk	84,824	4,452	89,276
RCPS	-	20,000	20,000
Total borrowings	<u>611,132</u>	<u>642,598</u>	<u>1,253,730</u>

B8. Material litigation

There was no material litigation as at 18 February 2021, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

B9. Dividend declared

No dividend has been declared for the quarter under review.

B10. Earnings per share (“EPS”)

Basic EPS

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:

	Current Year to Date 31.12.2020	Preceding Year to Date 31.12.2019
Adjusted net profit attributable to owners of the parent (RM'000)	<u>39,949</u>	<u>61,217</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,536,789</u>	<u>1,555,975</u>
Basic EPS (sen)	<u>2.60</u>	<u>3.93</u>

Diluted EPS

Diluted 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 issued and issuable during the financial year adjusted for the dilutive effects of all potential ordinary shares as follows:

	Current Year to Date 31.12.2020	Preceding Year to Date 31.12.2019
Adjusted net profit attributable to owners of the parent (RM'000)	<u>39,949</u>	<u>61,217</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,536,789</u> #	<u>1,571,097</u>
Diluted EPS (sen)	<u>2.60</u>	<u>3.90</u>

The Group has no dilution in earnings per share as the exercise price of the ESOS has exceeded the average market price of ordinary shares during the financial year, the ESOS do not have any dilutive effect on the weighted average number of ordinary shares.

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

	Current Year Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2020 RM'000
Allowance for /(Reversal of allowance) impairment losses on:		
- Assets held for sale	-	89
- Goodwill arising on consolidation	4,940	12,846
- Receivables	(78)	118
- Other investments	34	34
Allowance for expected credit losses on receivables	1,175	1,271
Amortisation of intangible assets	410	1,180
Bad debts written off	916	1,382
Deposits written off	19	19
Depreciation of:		
- Investment properties	364	2,272
- Property, plant and equipment	2,436	9,929
- Right-of-use assets	6,108	23,614
Fair value loss on revaluation of financial assets measured at FVTPL	-	8
Loss on disposal of a subsidiary company	-	44
Property development costs written off	-	440
Property, plant and equipment written off	4	10
Provision for claims and staff economic compensation	10	13
Waiver of interest income	(233)	1,458
Net foreign exchange loss	198	161
Contingency sum provided in prior years no longer required	(17,355)	(19,516)
Dividend income from financial assets measured at FVTPL	-	(83)
Fair value adjustment on trade receivables	8	(52)
Negative goodwill	(420)	(420)
Net gain on disposal of:		
- Assets held for sale	(1,349)	(1,349)
- Financial assets measured at FVTPL	-	(4)
- Investment properties	64	(2,335)
- Property, plant and equipment	37	(429)
- Right-of-use assets	-	(258)
Reversal of allowance for expected credit losses on receivables	(59)	(279)
Reversal of allowance for impairment loss on receivables	(911)	(2,313)
Claims provided in prior years no longer required	(6,928)	(6,928)
Waiver of debts	-	(4)

By Order of the Board,

**Dato' Lim Mooi Pang
Executive Director**

Petaling Jaya, Selangor Darul Ehsan
25 February 2021