

LBS' WISH LIST FOR BUDGET 2023

Petaling Jaya, [17 February 2023] – LBS Bina Group Berhad (“LBS” or the “Group”) today shared its wish list for Budget 2023 which will be tabled in Parliament on 24th February 2023.

Following the conclusion of Malaysia’s 15th General Election, LBS is pleased that Malaysia has achieved political stability and is optimistic of a stronger and more stable economy in the coming months. According to the Ministry of Finance, Malaysia’s economy is expected to grow between 4-5% in 2023. As People’s Developer, LBS remains committed towards its goal of delivering affordable and quality housing to meet the nation’s demands.

To fulfil its role, LBS looks forward to the measures which will be announced by the Government during Budget 2023. Ahead of the announcement, LBS wishes to make various proposals which it believes is crucial towards revitalising the property sector and is hopeful that the Government will take these into account.

a) Revival of the Home Ownership Campaign (HOC)

With rising inflationary pressure in today’s environment, the prices of basic necessities including housing have also increased. To alleviate the public burden of home ownership, we hope that the Government will consider implementing additional measures for potential homeowners and in particular first-time home buyers. With this, we request that the Government consider the reintroduction of the HOC. The effectiveness of the HOC is widely evidenced during its implementation between 2019-2021. Hence, its reintroduction will help spur demand and further encourage homeownership, providing more options and price points for potential homebuyers.

b) Reduction of financing costs

The hike in interest rates globally throughout 2022 has led to properties becoming more expensive to own with the increase in mortgage rates. It is further anticipated that interest rates will continue to hike in 2023. To assist with homeownership, especially for those in

the lower-income households, we propose that the Government introduce lower financing costs for mortgages or offer rebates of up to 10% to first-time homeowners to ensure that buying sentiment remains.

c) Initiatives to resolve foreign worker shortage

With the increasing importance of foreign workers, we are hopeful that the Government will be able to deliver on their recent plan to allow entry of 500,000 foreign workers from 15 source countries in 2023 to overcome the shortage of labour in various sectors, especially the construction sector. It has been estimated that 700,000 foreign workers have left Malaysia due to Covid-19. Hence, we believe the number of foreign workers required to address the country's immediate labour needs and to stimulate further economic growth is much higher.

We hope that Budget 2023 will include initiatives such as reducing foreign worker levy while introducing a more efficient and transparent application process to shorten the time for foreign worker approvals. We are aware that the Government has recently introduced the Foreign Worker Recruitment Relaxation Plan and Illegal Immigrant Recalibration Plan 2.0 to expedite the approval process and we hope that the plan will live up to its purpose.

d) Introduce subsidies for raw material costs

Property developers and contractors have not been spared by the volatility of raw material prices in the past year. There is a huge responsibility on our part to ensure the delivery of our housing on time to meet the demands of the public. However, contractors are often delayed as they are met with difficulties with managing their costs, thus leading to a knock-on effect to developers. To alleviate the burden caused by rising prices, we hope that the Government will consider placing a price cap on the raw material costs to prevent an exorbitant increase in price. With this, property players will be able to manage costs more efficiently.

Commenting on the wish list, LBS Executive Chairman Tan Sri Lim Hock San said, "We hope that Budget 2023 will provide a paradigm shift and deliver an upswing in property sentiment via stimulus packages. Budget 2023 is an opportunity for the Government to assist the general public with alleviating the burden of everyday lives, which include homeownership. The formation of a unity Government will be able to create an environment that will attract more investors as well as promote economic growth and increase the well-being of the people. With

this, we look forward to the Government's commitment in ensuring the provision of adequate, quality and affordable housing segments in order for more people to own their dream homes.”

He added, “On the back of our 2023 sales target of RM2 billion, we are optimistic that the Government will announce initiatives that will provide an added boost to us as we remain focused on the delivery of our projects. We look forward to seeing a stronger recovery of the property market in 2023.”

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