

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) has not perused the contents of this Circular prior to issuance as it is an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia.

Bursa Malaysia takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**LBS BINA GROUP BERHAD**

[Registration No.: 200001015875 (518482-H)]

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

in relation to

**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**PART B**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The above proposals will be tabled as Special Businesses at the Twenty-Second Annual General Meeting (“Twenty-Second AGM”) 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 Thursday, 16 June 2022 at 10.00 a.m. The Notice of the Twenty-Second AGM together with the Proxy Form are set out in the Annual Report of the Company for the financial year ended 31 December 2021.

Should you wish to appoint a proxy (proxies), you are advised to complete the instrument appointing of a proxy made in a hard copy form or by electronic form 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 Twenty-Second AGM or any adjournment thereof:

i. In hard copy form

In the case of an appointment made in hard copy form, the proxy form must 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.

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 Twenty-Second AGM.

Last day and time for lodging the Form of Proxy : Tuesday, 14 June 2022 at 10.00 a.m.

Date and time of the Twenty-Second AGM: : Thursday, 16 June 2022 at 10.00 a.m.

This Circular is dated 29 April 2022

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## DEFINITIONS

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For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply: -

<b>AGM</b>	:	Annual General Meeting.
<b>Audit Committee or AC</b>	:	Members of Audit Committee of the Company consists of :- 1. Dato' Lim Han Boon (Chairman) 2. Datuk Dr. Haji Baharum Bin Haji Mohamed (Member) 3. Datuk Lim Si Cheng (Member)
<b>Board</b>	:	The Board of Directors of LBS.
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)].
<b>Circular</b>	:	Circular to Shareholders dated 29 April 2022.
<b>Code</b>	:	Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time and any re-enactment thereof.
<b>Companies Act</b>	:	Companies Act, 2016 as amended from time to time and any re-enactment thereof.
<b>Director(s)</b>	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Shareholders' Mandate, this includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company.
<b>ESOS</b>	:	Employees' share option scheme established by LBS on 18 September 2012, which will expire on 17 September 2022.
<b>ESOS Option</b>	:	The right of a Grantee to subscribe for new LBS Shares pursuant to the ESOS.
<b>EPS</b>	:	Earnings per Share.
<b>LBS or Company</b>	:	LBS Bina Group Berhad [Registration No.: 200001015875 (518482-H)].
<b>LBS Group or Group</b>	:	LBS and its subsidiaries.
<b>LBS Share(s) or Shares</b>	:	Ordinary Share(s) fully paid-up in LBS.
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Malaysia including any amendment(s) that may be made from time to time and any Practice Notes ("PN") issued in relation thereto.
<b>LPD</b>	:	31 March 2022 being the latest practicable date prior to the printing of this Circular.

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**DEFINITIONS (Cont'd)**

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- Major Shareholder(s)** : A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: -
- (a) 10% or more of the total number of voting shares in the Company; or
  - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company
- including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or its subsidiaries or holding company.
- For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Companies Act.
- Market Day(s)** : Any day on which Bursa Securities is open for trading of securities.
- NA** : Consolidated Net Assets of the Group.
- Persons Connected** : Shall have the same meaning as in Chapter 1.01 of the Listing Requirements.
- Proposed Renewal of Share Buy-Back Authority** : Proposed renewal of the existing authority granted to the Company to purchase up to ten per centum (10%) of its own issued and paid-up share capital.
- Purchased Shares** : LBS Shares that have been purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority.
- Proposed Shareholders' Mandate** : The proposed renewal of shareholders' mandate permitting LBS Group to enter into Recurrent Transactions from the date of the forthcoming AGM until the next AGM.
- Recurrent Transactions or RRPT** : Recurrent related party transactions of a revenue or trading nature with Related Parties in the ordinary course of business which are necessary for the Group's day-to-day operations.
- Related Corporation** : A corporation which is –
- (a) the holding company of another corporation;
  - (b) a subsidiary of another corporation; or
  - (c) a subsidiary of the holding company of another corporation.
- Related Party(ies)** : A Director(s), Major Shareholder(s) or Person(s) Connected with them.
- RM and Sen** : Ringgit Malaysia and sen respectively.
- Shareholders' Mandate or Mandate** : The shareholders' mandate permitting LBS Group to enter into Recurrent Transactions.
- Share(s)** : Ordinary share(s) of LBS.
- WAP** : Weighted average market price.

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**DEFINITIONS (Cont'd)**

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Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

All references to "you" in this Circular are to the shareholders of the Company.

Words incorporate the singular shall, where applicable, include the plural and vice versa and words incorporate the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

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## LBS BINA GROUP BERHAD

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

Registered Office  
Plaza Seri Setia, Level 1-4  
No. 1, Jalan SS9/2  
47300 Petaling Jaya  
Selangor Darul Ehsan

29 April 2022

### Directors

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*)  
Dato' Lim Mooi Pang (*Executive Director*)  
Datuk Dr. Haji Baharum Bin Haji Mohamed (*Senior Independent Non-Executive Director*)  
Datuk Lim Si Cheng (*Independent Non-Executive Director*)  
Dato' Lim Han Boon (*Independent Non-Executive Director*)  
Dato' Yong Lei Choo (*Independent Non-Executive Director*)

To: The Shareholders of **LBS BINA GROUP BERHAD**

Dear Sir/Madam

### **PART A - PROPOSED SHAREHOLDERS' MANDATE**

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#### **1. INTRODUCTION**

On 3 August 2021, the Company had at its Twenty-First AGM obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and are in the ordinary course of business of the Company and/or its subsidiaries.

This Mandate shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming Twenty-Second AGM unless authority for the renewal is obtained from the shareholders.

Accordingly, the Board had on 15 April 2022 announced that the Company has proposed to seek its shareholders' approval for the Shareholders' Mandate pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements and Paragraph 3.1.4 of Practice Note 12 ("PN12") of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming Twenty-Second AGM. The notice of the Twenty-Second AGM together with the Form of Proxy are available on the website of the Company at [www.lbs.com.my](http://www.lbs.com.my).

**SHAREHOLDERS OF LBS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM**

**2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The principal activities of LBS are investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiary companies and associated companies are investment holding and provision of management services, property development, design and build, civil engineering, trading of construction material and general construction activities, turfing and landscaping, piling and foundation construction works, manufacturing of industrialise building system precast products, engineering consultancy services, car park management, motor racing circuit development and management, tourism development, hospitality and retail mall operations, provision of finance through money lending, industry hub with port facilities, project investment through a subsidiary company in the People's Republic of China, providing handling services to its holding company and hotel operations.

The LBS Group has, in the ordinary course of business, entered into recurrent related party transactions of a revenue or trading nature which are detailed in Section 2.3 below. The Board anticipates that such transactions will continue to occur with some degree of frequency and may arise at any point in time.

**2.1 Shareholders' Mandate for Recurrent Transactions**

Pursuant to Paragraph 10.09 of Part E of the Listing Requirements, the Company may seek a mandate from its shareholders for Recurrent Transactions subject to the following:

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- ii) the Shareholders' Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed below in relation to a Company with a share capital of RM60 million and above:
  - (a) the consideration, value of the assets, capital outlays or costs of the Recurrent Transaction is RM1 million or more; or
  - (b) the percentage ratio of such Recurrent Transaction is 1% or more,whichever is the higher;
- iii) the circular to shareholders for the Shareholders' Mandate shall include the information as may be prescribed in Annexure PN12-A of the Listing Requirements;
- iv) in a meeting to obtain Shareholders' Mandate, the interested Director, interested Major Shareholder and interested Persons Connected to a Director or Major Shareholder and where it involves the interest of an interested Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that Persons Connected to them will abstain from voting on the resolution approving the transactions; and
- v) the Company immediately announces to Bursa Malaysia when the actual value of the Recurrent Transactions entered into by the Group, exceeds the estimated value of the Recurrent Transactions disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Malaysia in its announcement.



In accordance with Paragraph 3.1.4 of PN12, the Shareholders' Mandate is subject to annual renewal. The Mandate if approved by the Company's shareholders at the forthcoming Twenty-Second AGM shall take effect on 16 June 2022, being the date of passing of the ordinary resolution in respect of the Shareholders' Mandate at the forthcoming Twenty-Second AGM and shall continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the AGM at which the Mandate was passed, at which time the Shareholders' Mandate will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340 (2) of the Companies Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act); or
- iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier.

Approval from shareholders will be sought for the renewal of the Shareholders' Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of the Company.

### **2.1.1 Existing Shareholders' Mandate for Recurrent Transactions**

LBS had on 3 August 2021, in a convened AGM obtained its Shareholders' Mandate for the existing Recurrent Transactions. In accordance with Paragraph 3.1.4 of PN12, the Shareholders' Mandate is subject to annual renewal when it expires at the forthcoming Twenty-Second AGM.

In view of the frequent nature of such Recurrent Transactions, the Company is seeking the approval of the shareholders of LBS for the Proposed Shareholders' Mandate as set out in Section 2.3 below, provided such Recurrent Transactions are made at arm's length and on normal commercial terms of LBS Group and are on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders.

Disclosure will be made in the annual reports of the Company in accordance with Paragraph 3.1.5 of PN12, which requires the breakdown of the aggregate value of Recurrent Transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year based on the following information:-

- i) the type of the Recurrent Transactions made; and
- ii) the names of the Related Party(ies) involved in each type of the Recurrent Transactions made and their relationship with the Company.

### **2.2 Classes of Related Party(ies)**

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

- a) Directors and/or Major Shareholders; and
- b) Persons Connected with the Directors and/or Major Shareholders.

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## 2.3 Category and Nature of Recurrent Transactions

The Recurrent Transactions are set out as follows:-

No.	Related Party(ies)	Nature of Recurrent Transaction	Interested Related Parties	Existing Mandate		Proposed Shareholders' Mandate
				Estimated Value of Transactions as disclosed in the preceding year's Circular to Shareholders dated 25 May 2021 (RM)	Actual Value of Transactions since last AGM i.e. 3 August 2021 till LPD ^ (RM)	Estimated value of Recurrent Transactions during the validity period, commencing from 16 June 2022 (i.e. the date of the forthcoming Twenty-Second AGM) until the next AGM (RM)
1.	Directors and/or Major Shareholders of LBS Group and Persons Connected with them	Purchase of land or land based properties in the ordinary course of business of not more than 10% of any one of the percentage ratios in the Listing Requirements.	Directors and/or Major Shareholders of LBS Group and Persons Connected with them @	#	539,900	#

Notes:

@ The Directors, Major Shareholders and/or Persons Connected with them who intend to purchase the properties being sold by LBS Group could not be ascertained at this juncture.

# Estimated value of this category of transactions cannot be ascertained given the various types of properties being sold by LBS Group. However, in accordance with Paragraph 3.3 of PN12 of the Listing Requirements, the transactions shall be RRPT and not exceed 10% of any one of the percentage ratios in Paragraph 10.02(g) of the Listing Requirements.

^ Further details on the RRPT conducted from 3 August 2021 till LPD are set out in Appendix I of this Circular.

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- i) There are a number of factors that affect the pricing of the properties including but not limited to the prevailing market condition generally and the qualities and the different type of properties. The selling price of the properties is applicable to all customers of LBS Group including Related Parties. Employees of LBS Group are entitled to staff discount of up to 10% under the internal policy of the Group.
- ii) There is no deviation of the Recurrent Transactions between the actual value from 3 August 2021 (the date on which the existing Mandate was obtained) up to the LPD and the estimated value as disclosed in the preceding year's circular to shareholders.
- iii) The Directors, Major Shareholders and/or Persons Connected with them who intend to purchase the properties being sold by LBS Group could not be ascertained at this point in time. Pursuant to Paragraph 3.1.5 of PN12 of the Listing Requirements, the disclosure of the aggregate value of the Recurrent Transactions will be made in the Company's Annual Report.

## 2.4 Details of RRPT Receivables

Details of the Group's trade receivables from the Related Parties pursuant to Recurrent Related Party Transactions which exceeded the credit term for the following periods as at the end of the financial year ended 31 December 2021 are as follows:-

Exceeded Credit Term For	Trade Receivables from Related Parties as at 31.12.2021 Principal (RM)
a period of 1 year or less	-
a period of more than 1 to 3 years	1,443,426.30
a period of more than 3 to 5 years	-
a period of more than 5 years	-
Total	1,443,426.30

*Note: There is late payment charges imposed on the overdue unpaid progress billings from time to time. Any late payment, interest of 10% per annum will be charged in accordance with the terms of Sale and Purchase Agreement.*

The Board of Directors noted that the outstanding balance owing by the Related Parties is mainly pending the completion of loan documentation before the end-financiers could release the payment to the LBS Group. The total RM1,443,426.30 that most likely to be released by end-financiers based on the expected completion loan documentation as follows:-

Expected loan documentation completion in	Total amount outstanding receivables from Related Parties (RM)	Related Party
April – June in 2022	1,443,426.30	Datuk Hendri Bin Dahlan, who is a director of a few subsidiaries of the Company.

## 2.5 Benefits

The Recurrent Transactions entered or to be entered into by LBS Group with the Related Parties are transactions of a revenue or trading nature necessary for its day-to-day operations which are likely to occur with some degree of frequency and arise at any time and from time to time. It will facilitate transactions with the Related Parties which are carried out in the ordinary course of business and are made on an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of minority shareholders.

The Group is principally involved in property development. Sale of properties by the Group to the Related Parties is in the ordinary course of business which will generate revenue and cash flow to the Group. On the other hand, purchase of properties by the Related Parties reflects their confidence in and commitment to the Group's property development projects.

## **2.6 Rationale**

The Proposed Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make announcements to Bursa Malaysia or to convene separate general meetings from time to time to seek shareholders' approval for each transactions and as such substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial, manpower resources and time to be channelled towards attaining the Group's corporate objective and business opportunities.

## **2.7 Review Procedures for the Recurrent Transactions**

The Group has established the following procedures and guidelines to ensure that such Recurrent Transactions are conducted at arm's length and on normal commercial terms consistent with LBS Group's usual business practices and policies and on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders:-

- (i) Monthly updated list of related parties will be circulated within LBS Group to notify and remind relevant departments that all Recurrent Transactions are required to be carried out on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.
- (ii) Records will be maintained by the Company to capture all Recurrent Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (iii) Relevant Heads of Department are required to ascertain, monitor, update and control the value for each transaction entered into with the Related Parties from time to time for disclosure in the annual report.
- (iv) The Related Parties, interested Directors, interested Major Shareholders and Persons Connected will be advised that they are subject to the Proposed Shareholders' Mandate and will also be advised on the review and disclosure procedures.
- (v) Records of Recurrent Transactions will be made available by the Management of LBS to the internal auditors and Audit Committee for review.
- (vi) The annual internal audit plan shall incorporate a review of all Recurrent Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and the review procedure in respect of such transactions are adhered to.
- (vii) The Audit Committee has reviewed and will continue to review the Recurrent Transactions and provided a statement that it is satisfied with the review procedures to the extent that the procedures are relevant and sufficient to ensure that such Recurrent Transactions will be carried out at arm's length and on normal commercial terms which are no more favourable to the Related Parties than those generally available to the public and will not be prejudicial to the minority shareholders.
- (viii) Where any Director has an interest (direct or indirect) in any Recurrent Transactions, such director (or his alternate) shall abstain from deliberation. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from deliberation and voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transactions.

- (ix) Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Persons Connected with a Director or Major Shareholder and where it involves the interest of an interested Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder, must abstain from deliberation and voting on resolution approving the transactions.

An interested Director or interested Major Shareholder must also ensure that Persons Connected with him abstain from voting on the resolution approving the transactions.

- (x) Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of PN12 of Listing Requirements, which requires the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year. Disclosure will also be made in the annual reports for the subsequent financial years during which the Proposed Shareholders' Mandate remains in force, amongst others, based on the following information:
  - a) the type of the Recurrent Transactions made; and
  - b) the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the listed issuer.
- (xi) The Audit Committee will have the overall responsibility for the determination of the review procedures, including any addition or variation thereto, where applicable.

## **2.8 Threshold for Approval of Recurrent Transactions**

There are no thresholds for the approval of Recurrent Transactions within LBS Group. If it is determined that the guidelines and/or procedures stated in Section 2.7 above are inadequate to ensure that:-

- (i) the Recurrent Transactions will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures. The Audit Committee shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

## **2.9 Statement by Audit Committee**

The Audit Committee has reviewed the procedures as set out in Section 2.7 above and is of the view that the terms and procedures established are sufficient to ensure that the Recurrent Transactions are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders.

The Audit Committee is also of the view that the Group has adequate procedures and processes in place to monitor, track and identify Recurrent Transactions in a timely and orderly manner. These procedures and processes will be reviewed as and when necessary.

## **2.10 Disclosure**

Disclosure has been made in the Annual Report 2021 of the Company of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate obtained during the financial year ended 31 December 2021. Similar disclosure will be made in the Annual Report for the subsequent financial year during which the Mandate is in force, providing amongst others, the following information:-

- i) The type of Recurrent Transactions made; and

- ii) The names of the Related Parties involved in each type of the Recurrent Transactions made and their relationship with the Company.

### 3. FINANCIAL EFFECTS

The Proposed Shareholders' Mandate will not have any effect on the share capital, NA, earnings and Major Shareholders' shareholdings of the Group for the financial year ending 31 December 2022.

### 4. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

- 4.1 All the interested Directors have abstained and will continue to abstain from all deliberations and voting on the Proposed Shareholders' Mandate which involves only their respective interest at all meetings of the Board of Directors of LBS and/or the affected subsidiaries of LBS on resolutions approving the Recurrent Transactions.
- 4.2 All the interested Directors, Major Shareholders and Persons Connected with them who have interest, direct and/or indirect, in the Proposed Shareholders' Mandate, will abstain from voting on the resolution approving the Proposed Shareholders' Mandate at the forthcoming Twenty-Second AGM in respect of their direct and/or indirect shareholdings in the Company.
- 4.3 Further, the interested Directors and the interested Major Shareholders have undertaken that they will ensure that the Persons Connected to them will abstain from voting on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming Twenty-Second AGM in respect of their direct and/or indirect shareholdings in the Company.
- 4.4 Save as disclosed above, none of the other Directors and/or Major Shareholder of the Company and its subsidiaries and/or Persons Connected with them has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

The direct and indirect interests of the Directors and/or Major Shareholders and/or Persons Connected to the Directors and/or Major Shareholders who are interested in the Proposed Shareholders' Mandate as at LPD are as follows:

Interested Directors, Major Shareholders and/or Persons Connected	Direct		Indirect		
	No. of Ordinary Shares	%	No. of Ordinary Shares	Notes	%
<b><u>Directors of LBS</u></b>					
Tan Sri Dato' Sri Lim Hock San	31,714,614	2.03	564,844,019	(b)	36.21
Datuk Wira Lim Hock Guan	28,130,444	1.80	563,400,010	(b)	36.12
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	0.04	615,280	(a)	0.04
Dato' Lim Mooi Pang	5,622,759	0.36	-	-	-
Datuk Dr. Haji Baharum bin Haji Mohamed	269,654	0.02	-	-	-
Datuk Lim Si Cheng	269,654	0.02	-	-	-
Dato' Lim Han Boon	150,000	0.01	-	-	-
Dato' Yong Lei Choo	-	-	-	-	-
<b><u>Major Shareholders</u></b>					
Gaterich Sdn. Bhd.	560,773,150	35.95	-	-	-
Tan Sri Dato' Sri Lim Hock San	31,714,614	2.03	560,773,150	(c)	35.95
Datuk Wira Lim Hock Guan	28,130,444	1.80	560,773,150	(c)	35.95
Kumpulan Wang Persaraan (Diperbadankan)	130,016,426	8.34	50,422,636	(d)	3.23

Notes:

- (a) *Deemed Interest by virtue of Section 59(11)(c) of the Companies Act.*
- (b) *Deemed interest by virtue of his interests in Gaterich Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act and also by virtue of Section 59(11)(c) of the Companies Act.*
- (c) *Deemed interest by virtue of his interests in Gaterich Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act.*
- (d) *Deemed interest by virtue of shares held by fund managers of Kumpulan Wang Persaraan (Diperbadankan).*

## 5. **CONDITION**

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of LBS.

## 6. **DIRECTORS' RECOMMENDATION**

The Directors (except for the interested Directors), having considered the benefits, rationale and all relevant aspects of the Recurrent Transactions stated in Section 2.3 (Details of the Proposed Shareholders' Mandate) above, are of the opinion that it is fair, reasonable and in the best interest of LBS Group. Accordingly, the Directors (except for the interested Directors) recommend that you vote in favour of the resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming Twenty-Second AGM.

All the Directors have abstained from making an opinion and any recommendation on the entry into the Recurrent Transactions in respect of Section 2.3 of this Circular to be tabled at the Twenty-Second AGM.

## 7. **AGM**

The ordinary resolutions to approve the Proposed Shareholders' Mandate are set out as Special Business in the Notice of Twenty-Second AGM contained in the Annual Report of LBS for the financial year ended 31 December 2021, which is available for download from the Company's website at [www.lbs.com.my](http://www.lbs.com.my) and Bursa Malaysia' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The Twenty-Second AGM of LBS will be held on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <http://tiih.online> on Thursday, 16 June 2022 at 10.00 a.m.

If you wish to appoint a proxy or proxies to attend and vote on your behalf, you are requested to complete the instrument appointing of a proxy made in a hard copy form or by electronic form 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 Twenty-Second AGM or adjourned AGM at which the person named in the appointment proposes to vote:

(ii) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must 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.

(iii) 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 Twenty-Second AGM.

The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

**8. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix II in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of Directors  
**LBS Bina Group Berhad**

**DATUK WIRA LIM HOCK GUAN**  
Group Managing Director/ Chief Executive Officer





## **LBS BINA GROUP BERHAD**

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

### **PART B – SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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#### **1. INTRODUCTION**

At the Company's Twenty-First Annual General Meeting held on 3 August 2021, the Company had obtained a renewed authority from its shareholders for the Company to purchase up to 10% of its issued and paid-up share capital. The Proposed Renewal of Share Buy-Back Authority shall in accordance with the Listing Requirements, expire at the conclusion of the forthcoming Twenty-Second AGM unless renewed authority is obtained from the shareholders.

Accordingly, the Board of Directors of LBS had on 15 April 2022 announced that the Company proposed to seek authority from its shareholders for the Proposed Renewal of Share Buy-Back Authority subject to Sections 112, 113 and 127 of the Companies Act, Chapter 12 of the Listing Requirements and any other laws, rules, regulations, orders, guidelines and requirements ("Prevailing Laws") issued by the relevant authorities at the time of purchase.

The purpose of this Statement is to set out the details of the Proposed Renewal of Share Buy-Back Authority as well as to seek your approval for the ordinary resolution pertaining to the same to be tabled at the forthcoming Twenty-Second AGM to be convened.

#### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board proposes to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority of the Company subject to the Prevailing Laws issued or to be issued by the relevant authorities.

The approval from the shareholders, if granted, shall be effective immediately upon the passing of the ordinary resolution for Proposed Renewal of Share Buy-Back Authority at the forthcoming Twenty-Second AGM and shall remain in force until :-

- i) the conclusion of the next AGM 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;
- ii) the expiration of the period within which the next AGM after that date is required to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

The shareholders' approval for the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned period.

## 2.1 QUANTUM AND FUNDING

As at the LPD, the total issued and paid-up share capital of the Company is RM819,378,365.78 represented by 1,569,245,151 ordinary shares, inclusive of 9,377,594 Purchased Shares and held as treasury shares by the Company. The Proposed Renewal of Share Buy-Back Authority will enable the Company to purchase not more than ten per centum (10%) of the issued and paid-up share capital of the Company at any point in time. The shares will be purchased from open market on Bursa Malaysia through appointed stockbroker(s).

The actual number of shares to be purchased, the total amount of funds to be utilised for each purchase and the timing of any purchase will depend on, *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources and the availability of the retained earnings reserve of the Company.

The maximum amount of the funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the sum of retained earnings of the Company. The Company will ensure that there are sufficient retained earnings at any time of purchase its own shares and will not result insolvent or its capital being impaired. As at 31 December 2021, the audited retained earnings of the Company amounted to RM74,654,209.14.

The Proposed Renewal of Share Buy-Back Authority will be funded from internally generated funds and/or bank borrowings as long as the purchased share(s) is backed by an equivalent amount of retained earnings of the Company subject to compliance with the Prevailing Laws. The Company shall satisfy the solvency test before execution of the proposed share buy-back pursuant to Section 112(2) of the Companies Act.

The funding source through internally generated funds is not expected to have a material impact on the cash flow position of the Company. In the event that the fund financed by bank borrowings, the Company will ensure its capabilities of repaying such borrowings and that such repayment will not have a material effect on its cash flow.

## 2.2 TREATMENT OF PURCHASED SHARES

Pursuant to Section 127 of the Companies Act, the Directors may deal with the Purchased Shares 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 Companies Act, the provision of Listing Requirements and any other relevant authorities.

When the Directors intend to retain the Purchased Shares as treasury shares, cancel the Purchased Shares, or both, an appropriate announcement will be made to Bursa Malaysia as and when the Proposed Renewal of Share Buy-Back Authority is exercised. Pursuant to Section 127(7) of the Companies Act, if the Board decides to retain the Purchased Shares as treasury shares, it may later distribute the treasury shares as dividend to the shareholders, cancel the treasury shares and/or resell the treasury shares on Bursa Malaysia, transfer the shares for the purposes of or under an employees' share scheme or as purchase consideration.

## **2.3 PURCHASE PRICE**

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own shares on Bursa Malaysia at a price which is not more than 15% above the WAP of the Company's shares for the five (5) Market Days immediately before the purchase.

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell the Purchased Shares held as treasury shares through Bursa Malaysia at a price which is :-

- i) not less than the WAP for the shares for the five (5) Market Days immediately prior to the resale; or
- ii) a discounted price of not more than 5% to the WAP for the shares for the five (5) Market Days immediately prior to the resale provided that the resale takes place no earlier than thirty (30) days from the date of purchase and the resale price is not less than the cost of purchase of the shares being resold.

## **2.4 PUBLIC SHAREHOLDING SPREAD**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the 25% public shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the record of depositors of the Company showed 907,958,097 ordinary shares representing 58.21% of the issued and paid-up share capital being held by the public shareholders. The Company will endeavour to ensure that the Proposed Renewal of Share Buy-Back Authority will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Malaysia if that purchase(s) will result in the listed company being in breach of the public shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements. Paragraph 8.02(1) states that a listed company must ensure at least 25% of its total listed shares (excluding treasury shares) are in the hands of the public shareholders.

## **2.5 POTENTIAL ADVANTAGES AND DISADVANTAGES**

The Proposed Renewal of Share Buy-Back Authority, if implemented, is expected to have the following potential advantages and disadvantages to LBS Group:-

### **2.5.1 Potential Advantages**

- (i) Enable the Company to utilise its surplus financial resources more efficiently.
- (ii) To stabilise the supply and demand of the Company's shares traded on Bursa Malaysia and reduce the volatility of the Company's share price. Hence, maintain investors' confidence.
- (iii) Improve the EPS and the return on equity as a result of the reduction of publicly traded shares. Consequently, if the Purchased Shares are cancelled, long term and genuine investors are expected to enjoy a corresponding increase in value of their investment in the Company.
- (iv) Purchased Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price therefore realising capital gains for the Company without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.
- (v) Adverse economic conditions may cause the market price of the Company's shares being undervalued. In such circumstances, the purchase of shares by the Company may serve to stabilise the market price to its intrinsic value.
- (vi) Allow the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity.

## **2.5.2 Potential Disadvantages**

- i) It will reduce the immediate financial resources. However, the financial resources of the Group may recover or even increase if the Purchased Shares are held as treasury shares and resold in the market at the same or higher price.
- ii) LBS Group foregoing other better investment opportunities which may emerge in the future and/or any income that may be derived from other alternatives uses of such funds as deposit in interest bearing instruments.
- iii) The cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance the Proposed Renewal of Share Buy-Back Authority.
- iv) As the funds to be allocated for the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the Company's retained earnings, the amount available from the retained earnings for distribution of dividends to shareholders of the Company may decrease accordingly.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the shareholders of the Company as well as the Group as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company.

## **2.6 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The procurement of the shareholders' approval for the Proposed Renewal of Share Buy-Back Authority would enable the Company to purchase LBS Shares as and when appropriate and at prices which the Board views favourable.

The Proposed Renewal of Share Buy-Back Authority may enable LBS to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. The Proposed Renewal of Share Buy-Back Authority is expected to stabilise the supply and demand, as well as the price of LBS Shares.

If the Purchased Shares are subsequently cancelled, the Proposed Renewal of Share Buy-Back Authority may strengthen the EPS of LBS. Consequently, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

The Purchased Shares can also be held as treasury shares and resold on Bursa Malaysia at a higher price therefore realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and its shareholders, and it will be implemented only after due consideration of the financial resources of LBS Group, and of the resultant impact on the shareholders of the Company. The Board will be mindful of the best interests of LBS and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority.

## **2.7 FINANCIAL EFFECT**

### **2.7.1 Share Capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the share capital of the Company will depend on the intention of the Board with regard to the treatment of the Purchased Shares. Assuming that 10% of the Company's issued and paid-up share capital are purchased and cancelled, it will result in a reduction on the total issued and paid-up share capital of the Company as shown in the table below:-

	<b>Pro forma I after 10% shares Purchased<sup>^</sup></b>	<b>Pro forma II Assuming full exercising of ESOS Options and RCPS and after 10% Shares Purchased<sup>#</sup></b>
Existing issued and paid-up share capital as at LPD	1,569,245,151 <sup>∞</sup>	1,569,245,151 <sup>∞</sup>
Shares issued pursuant to exercise of ESOS Option	-	14,447,170
Share issued pursuant to the exercise of RCPS	-	103,508,938
Enlarge issued and paid-up capital	1,569,245,151	1,687,201,259
Maximum number of LBS Shares that may be purchased pursuant to the Proposed Share Buy-Back Authority	(156,924,515) <sup>∞</sup>	(168,720,125) <sup>∞</sup>
Resultant issued and paid-up share capital	1,412,320,636	1,518,481,134

Notes:

<sup>^</sup> Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full.

<sup>#</sup> Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, all the outstanding 14,447,170 ESOS Options and 94,099,035 RCPS are exercised.

<sup>∞</sup> Inclusive of 9,377,594 Treasury Shares.

Conversely, if the Purchased Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the issued and paid-up share capital of the Company. Nevertheless, certain rights attached to the shares will be suspended while they are held as treasury shares.

While these Purchased Shares remain as treasury shares, the Companies Act prohibits such Purchased Shares taken in calculation of number or percentage of shares in the Company for any purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum of meetings and result of votes on resolutions.

## **2.7.2 NA**

The effect of the Proposed Share Buy-Back on the NA per share of the Group is dependent on the purchase price(s) of the Shares purchased. If the purchase price is less than the audited NA per share of the Group at the time of purchase, the NA per share will increase and vice versa.

## **2.7.3 Working Capital**

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of LBS Group, the quantum of which will depend on, amongst other, the purchase price of LBS Shares and the number of Purchased Shares. The Proposed Renewal of Share Buy-Back Authority will affect the cashflow of the Group if it is wholly and/or partly financed by internally generated funds and reduce the amount of cash reserves available for dividends to be declared to shareholders and business operations as funds are utilised to purchase shares.

#### **2.7.4 Earnings and EPS**

The Proposed Renewal of Share Buy-Back Authority may contribute positively to the earnings and EPS of LBS Group. The actual effect is dependent on the purchase prices of LBS Shares, the number of Shares purchased, and the effective funding cost if any, or any loss in interest income to the Group, or the opportunity cost in relation to other investment opportunities.

#### **2.7.5 Gearing**

The effect of the Proposed Renewal of Share Buy-Back Authority on the gearing of the Company will depend on the proportion of borrowings utilised to fund any purchase of LBS shares. Any borrowing utilised to purchase LBS Shares may increase the gearing of the Company.

#### **2.7.6 Dividend**

The Proposed Renewal of Share Buy-Back Authority may have an impact of the Company's dividend payment, if any, as it may reduce the available cash which may otherwise be used for dividend payments. Any dividend to be declared in the immediate future will depend on the performance and cash resources of LBS Group. However, as stated in Section 2.2 above, the Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

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## 2.8 SUBSTANTIAL SHARHOLDERS' SHAREHOLDINGS

The pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Substantial Shareholders of LBS, based on the Register of Substantial Shareholders' Shareholdings of the Company as at LPD assuming the shares are purchased from Substantial Shareholders of LBS, is set out as below :-

Substantial Shareholders	Existing Shareholdings as at LPD					Pro forma I after 10% shares Purchased <sup>^</sup>					Pro forma II Assuming full exercising of ESOS Option and RCPS and after 10% Shares Purchased <sup>#</sup>				
	Direct		Indirect			Direct		Indirect			Direct		Indirect		
	No. of Shares	%*	No. of Shares	Notes	%*	No. of Shares	%	No. of Shares	Notes	%	No. of Shares	%	No. of Shares	Notes	%
Gaterich Sdn. Bhd.	560,773,150	35.95	-	-	-	560,773,150	39.71	-	-	-	560,773,150	36.93	-	-	-
Tan Sri Dato' Sri Lim Hock San	31,714,614	2.03	560,773,150	1	35.95	31,714,614	2.25	560,773,150	1	39.71	31,714,614	2.09	560,773,150	1	36.93
Datuk Wira Lim Hock Guan	28,130,444	1.80	560,773,150	1	35.95	28,130,444	1.99	560,773,150	1	39.71	28,130,444	1.85	560,773,150	1	36.93
Kumpulan Wang Persaraan (Diperbadankan)	130,016,426	8.34	50,422,636	2	3.23	130,016,426	9.21	50,422,636	2	3.57	141,866,858	9.34	54,510,368	2	3.59

Notes:

<sup>^</sup> Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full.

<sup>#</sup> Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, all the outstanding ESOS and RCPS are exercised.

\* Excluding 9,377,594 shares of the Company retained as Treasury Shares as at LPD.

1 Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act.

2 Deemed interested by virtue of shares held by fund managers of Kumpulan Wang Persaraan (Diperbadankan).

## 2.9 DIRECTORS' SHAREHOLDINGS

The pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors of LBS, based on the Register of Directors' Shareholdings of the Company as at LPD assuming the shares are purchased from shareholders other than the Directors of LBS, is set out as below :-

Directors	Existing Shareholdings as at LPD					Pro forma I after 10% shares Purchased <sup>^</sup>					Pro forma II Assuming full exercising of ESOS Option and RCPS and after 10% Shares Purchased <sup>#</sup>				
	Direct		Indirect			Direct		Indirect			Direct		Indirect		
	No. of Shares	%*	No. of Shares	Notes	%*	No. of Shares	%	No. of Shares	Notes	%	No. of Shares	%	No. of Shares	Notes	%
Tan Sri Dato' Sri Lim Hock San	31,714,614	2.03	564,844,019	(a)	36.21	31,714,614	2.25	564,844,019	(a)	39.99	31,714,614	2.09	565,017,819	(a)	37.21
Datuk Wira Lim Hock Guan	28,130,444	1.80	563,400,010	(a)	36.12	28,130,444	1.99	563,400,010	(a)	39.89	28,130,444	1.85	563,400,010	(a)	37.10
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	0.04	615,280	(b)	0.04	571,650	0.04	615,280	(b)	0.04	571,650	0.04	657,960	(b)	0.04
Dato' Lim Mooi Pang	5,622,759	0.36	-	-	-	5,622,759	0.40	-	-	-	5,622,759	0.37	-	-	-
Datuk Dr. Haji Baharum Bin Haji Mohamed	269,654	0.02	-	-	-	269,654	0.02	-	-	-	819,434	0.05	-	-	-
Datuk Lim Si Cheng	269,654	0.02	-	-	-	269,654	0.02	-	-	-	819,434	0.05	-	-	-
Dato' Lim Han Boon	150,000	0.01	-	-	-	150,000	0.01	-	-	-	150,000	0.01	-	-	-
Dato' Yong Lei Choo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

<sup>^</sup> Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full.

<sup>#</sup> Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, all the outstanding ESOS and RCPS are exercised.

\* Excluding 9,377,594 shares of the Company retained as Treasury Shares as at LPD.

(a) Deemed interested by virtue of shares held through Gaterich Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act and shares held by virtue of Section 59(11)(c) of the Companies Act.

(b) Shares held by virtue of Section 59(11)(c) of the Companies Act.



### 3. RISK FACTORS

The Board is not aware of any risk factors relating to the Proposed Renewal of Share Buy-Back Authority which could have a material adverse effect on the business or financial position of LBS Group.

### 4. IMPLICATION ON THE CODE

Pursuant to the Code, a person and any persons acting in concert will be obliged to make a mandatory general offer for the remaining ordinary shares of the Company not already owned by him/them if his/their existing shareholding(s) is/are increased beyond 33% of the total number of issued shares in the Company or if his/their existing shareholding(s) is/are more than 33% but less than 50% and it exceeds by two percent (2%) or more in any six (6) months period.

In the event that as a result of the implementation of the share buy-back by the Company, the mandatory offer obligations by any of the director, substantial shareholder and any person acting in concert with them is triggered which is outside their direct participation, such affected persons may make an application to the Securities Commission ("SC") for an exemption from a mandatory general offer.

As it is not intended for the share buy-back to trigger a mandatory general offer by any of the director, substantial shareholder and any person acting in concert with them, the Company is mindful that only such number of shares are purchased, retained as Treasury Shares, cancelled or distributed such that a mandatory general offer will not be triggered. However, should the need arise, the affected directors, substantial shareholders and the persons acting in concert with them are expected to apply to SC for a waiver from implementing a mandatory general offer under the Code, before the Company implements the buy-back of Company's Shares.

In the event the proposed waiver is not granted by SC, the Company will only proceed with the purchase of Shares up to the extent that a mandatory general offer will not be triggered.

### 5. HISTORICAL SHARE PRICE

The monthly highest and lowest market price of LBS Shares as traded on the Bursa Malaysia for the past twelve (12) months from April 2021 to March 2022 are set out below:-

	High (RM)	Low (RM)
<b>2021</b>		
April	0.585	0.470
May	0.495	0.435
June	0.510	0.450
July	0.470	0.440
August	0.460	0.425
September	0.485	0.440
October	0.590	0.445
November	0.565	0.490
December	0.535	0.500
<b>2022</b>		
January	0.520	0.465
February	0.525	0.465
March	0.545	0.440

The last transacted price of LBS Shares on 31 March 2022, being the LPD, was RM0.490

**6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

Save for the inadvertent proportionate increase in the percentage shareholdings of the Directors and substantial shareholders of the Company as a result of the share buy-back exercise, insofar as the Directors are aware, none of the Directors and/or substantial shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority, the subsequent resale of treasury shares, if any.

**7. PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS**

During the preceding twelve (12) months up to the LPD, the Company had purchased 1,792,900 shares and retained as treasury shares. Details of the share buy-back were as follows:-

Month	No. of Shares Purchased (Units)	Lowest Price paid (RM)	Highest Price paid (RM)	Average Price paid (RM)	Total Consideration paid* (RM)
April 2021	-	-	-	-	-
May 2021	-	-	-	-	-
June 2021	-	-	-	-	-
July 2021	-	-	-	-	-
August 2021	-	-	-	-	-
September 2021	20,000	0.455	0.465	0.460	9,271.27
October 2021	502,900	0.445	0.540	0.487	247,572.24
November 2021	247,600	0.505	0.555	0.525	130,814.31
December 2021	230,000	0.500	0.525	0.509	117,897.21
January 2022	210,000	0.465	0.510	0.491	103,690.80
February 2022	203,500	0.480	0.520	0.495	103,234.74
March 2022	378,900	0.450	0.520	0.484	187,654.39

Notes: \*Inclusive transaction cost

The Company has not made any resale and/or cancellation of any of treasury shares in the previous twelve (12) months preceding this Statement.

## 8. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair, reasonable and in the best interest of LBS Group and its shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming Twenty-Second AGM.

## 9. AGM

The ordinary resolution to approve the Proposed Renewal of Share Buy-Back Authority is set out as Special Business in the Notice of Twenty-Second AGM contained in the Annual Report of LBS for the financial year ended 31 December 2021, which is available for download from the Company's website at [www.lbs.com.my](http://www.lbs.com.my) and Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The Twenty-Second AGM of LBS will be held on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <http://tiih.online> on Thursday, 16 June 2022 at 10.00 a.m.

If you wish to appoint a proxy or proxies to attend and vote on your behalf, you are requested to complete the instrument appointing of a proxy made in a hard copy form or by electronic form 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 Twenty-Second AGM or adjourned AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must 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.

(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 Twenty-Second AGM.

The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

## 10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix II in this Circular for further information.

This Statement is dated 29 April 2022.

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**APPENDIX I – DETAILS OF RRPT ON ITEM (1) OF SECTION 2.3 OF THIS CIRCULAR**

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The details of RRPT of the Company conducted from 3 August 2021 till LPD are as follows:-

<b>No.</b>	<b>Related Party</b>	<b>Nature of Recurrent Transactions</b>	<b>Value of Transactions</b>	<b>Nature of relationship between LBS Group and the Related Party</b>
1	Mohamad Najib Bin Saad	Purchase of property	RM539,900	Mohamad Najib Bin Saad is a director of a few subsidiaries of the Company.

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information contained herein. The Board confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

**2. MATERIAL LITIGATION**

There is no material litigation, claim or arbitration, either as plaintiff or defendant within the companies in the Group to be disclosed, neither is the Group engaged in material litigation, claim or arbitration, either as plaintiff or defendant which may materially affect the position or business of the Group.

**3. MATERIAL CONTRACTS**

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within the two (2) years preceding the date of this Circular:

- a. Casa Inspirasi Sdn Bhd had, on 31 March 2021, entered into Joint Venture Agreement (“JVA”) with Majlis Daerah Cameron Highlands, the Landowner, in respect of joint development of piece of hill reserve land held under leasehold title of 99 years expiring on 29 May 2116 known as H.S.(D) 4908 PT 3288 in Mukim Tanah Rata Daerah Cameron Highlands Negeri Pahang measuring approximately 208488 square metres/ 51.52 acres whereby the Landowner shall be entitled to Ringgit Malaysia One Hundred Twenty Million (RM120,000,000.00) only. The JVA is pending fulfilment of the Condition Precedents.
- b. Leaptec Engineering Sdn. Bhd. had on 8 April 2021 signed a Reclamation and Development Agreement (“RDA”) with The State Government of Melaka for the reclamation and development of the reclaimed land into an industry hub with port facilities measuring approximately 1,200 acres located at Tanjung Bruas, Bandar XLV, Daerah Melaka Tengah, Melaka for the consideration sum of Ringgit Malaysia Ninety Four Million Eight Hundred Sixty Two Thousand and Four Hundred (RM94,862,400.00) only. The RDA is pending fulfilment of the Condition Precedents.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at Plaza Seri Setia, Level 1-4, No.1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan during normal business hours on any week day (except public holidays) from the date of this Circular up to and including the date of the Twenty-Second AGM:-

- (a) Constitution of the Company;
- (b) Material Contracts referred to in Section 3 above; and
- (c) Audited financial statements of LBS and its Group for the financial years ended 31 December 2020 and 31 December 2021.

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**LBS BINA GROUP BERHAD**  
[Registration No. 200001015875 (518482-H)]  
(Incorporated in Malaysia)

**EXTRACT OF NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING**

**AGENDA**

As Special Business

To consider, and if thought fit, to pass with or without modification the following resolutions:-

**ORDINARY RESOLUTION 9**

**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**

"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 29 April 2022 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 Companies Act, 2016 ("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 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 29 April 2022 and/or this resolution."

**ORDINARY RESOLUTION 10**  
**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

“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 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.”

By Order of the Board

LEE CHING CHING  
CHOOY WAI NEE  
Company Secretaries

Petaling Jaya, Selangor  
29 April 2022

## Notes:

- (1) The 22nd 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://tjih.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 22nd AGM using RPV Facilities provided by the Company's Share Registrar via TIIH Online website at <http://tjih.online>. Please follow the Procedures for RPV Facilities provided in the Administrative Guide for the 22nd AGM.
- (3) A member of the Company who is entitled to attend, participate, speak and vote at the 22nd AGM via RPV Facilities, may appoint more than 1 proxy to attend and vote instead of the member at the 22nd 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 22nd AGM.
- (5) A member who has appointed a proxy or attorney or authorised representative to participate at the 22nd 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://tjih.online>. Procedures for RPV Facilities can be found in the Administrative Guide for the 22nd 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 22nd AGM or adjourned 22nd AGM at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must 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.
  - (ii) By electronic form  
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tjih.online> and steps to submit are summarised in the Administrative Guide for the 22nd 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. 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 Thursday, 9 June 2022.
- (14) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 22nd AGM will be put to vote by way of poll.



## **Explanatory Notes on Special Business**

### Ordinary Resolution 9

*Ordinary Resolution 9, 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 29 April 2022 of the Company.*

### Ordinary Resolution 10

*Ordinary Resolution 10, 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 29 April 2022 of the Company.*