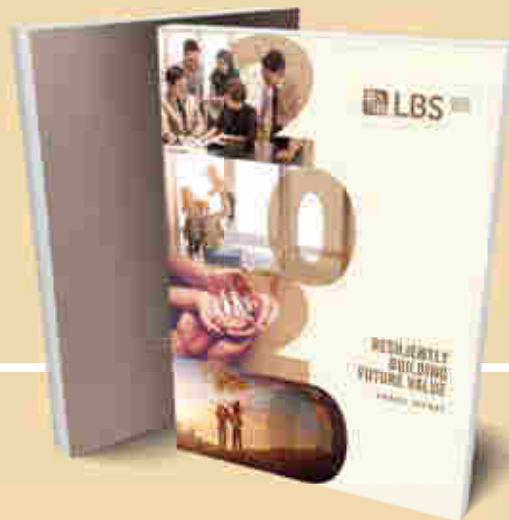




RESILIENTLY BUILDING FUTURE VALUE

ANNUAL REPORT





RESILIENTLY BUILDING FUTURE VALUE

This year's Annual Report cover underscores LBS' steadfast commitment towards creating sustainable, long-term value and leaving a positive legacy for our diverse stakeholders, namely our shareholders, customers, employees and partners, as well as the communities that we operate in.

In 2020, amidst a volatile operating environment made worse by the COVID-19 pandemic and related lockdowns, the Group moved swiftly to embrace change and remain relevant to the market. By adjusting our strategies, reprioritising our resources, as well as capitalising on digitalisation and our position of strength, we set a new course for 2020 which included revising our sales target from RM1.6 billion to RM1 billion. These purposeful strategies paid off handsomely in that we were able to remain resilient and surpass the revised performance target for 2020.

Today, with our strong balance sheet, robust cash flow, secure land bank, unbilled sales amounting to RM2.225 billion and a renewed commitment to upholding excellence, the LBS Group is well positioned to explore opportunities to strengthen and grow our business. In line with our Brand Promise of "Empowering Individuals, Enhancing Communities", we will continue to prioritise people and strengthen communities as part of our efforts to create sustainable, long-term future value for all.

OUR VISION

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

OUR MISSION

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



WWW.LBS.COM.MY

LIST OF ABBREVIATIONS USED IN THIS ANNUAL REPORT

- LBS or the Company** : LBS Bina Group Berhad (200001015875 (518482-H))
- LBS Bina** : LBS Bina Holdings Sdn Bhd (198201011456 (91181-K))
- LBS Group or the Group** : LBS and its subsidiaries





CONTENTS

01

WHO WE ARE

- 4 About LBS
- 6 Our Brand Promise
- 7 LBS at A Glance
- 8 Corporate Information
- 10 Corporate Structure
- 12 Year In Review

02

OUR LEADERSHIP

- 24 Board and Board Committees
- 26 Directors' Profiles
- 38 Key Senior Management
- 40 Key Senior Management Profiles
- 46 In Memoriam – The Late Dato' Seri Lim Bock Seng (1930-2021)
- 48 Final Letter to Shareholders from the Late Chairman
- 50 Interview with the Executive Chairman
- 55 Awards and Accolades 2020

03

OUR FINANCIAL & OPERATIONAL PERFORMANCE

- 58 Group Financial Highlights
- 60 Management Discussion and Analysis
- 82 Our Portfolio

04

OUR COMMITMENT TO SUSTAINABILITY

- 106 Sustainability Report

05

OUR COMMITMENT TO GOOD GOVERNANCE

- 134 Corporate Governance Overview Statement
- 160 Audit Committee Report
- 164 Statement on Risk Management and Internal Control
- 167 Recurrent Related Party Transaction

06

FINANCIALS

- 168 Financial Statements

07

OTHER INFORMATION

- 340 List of Material Properties
- 341 Analysis of Ordinary Shareholdings
- 345 Analysis of Preference Shareholdings

08

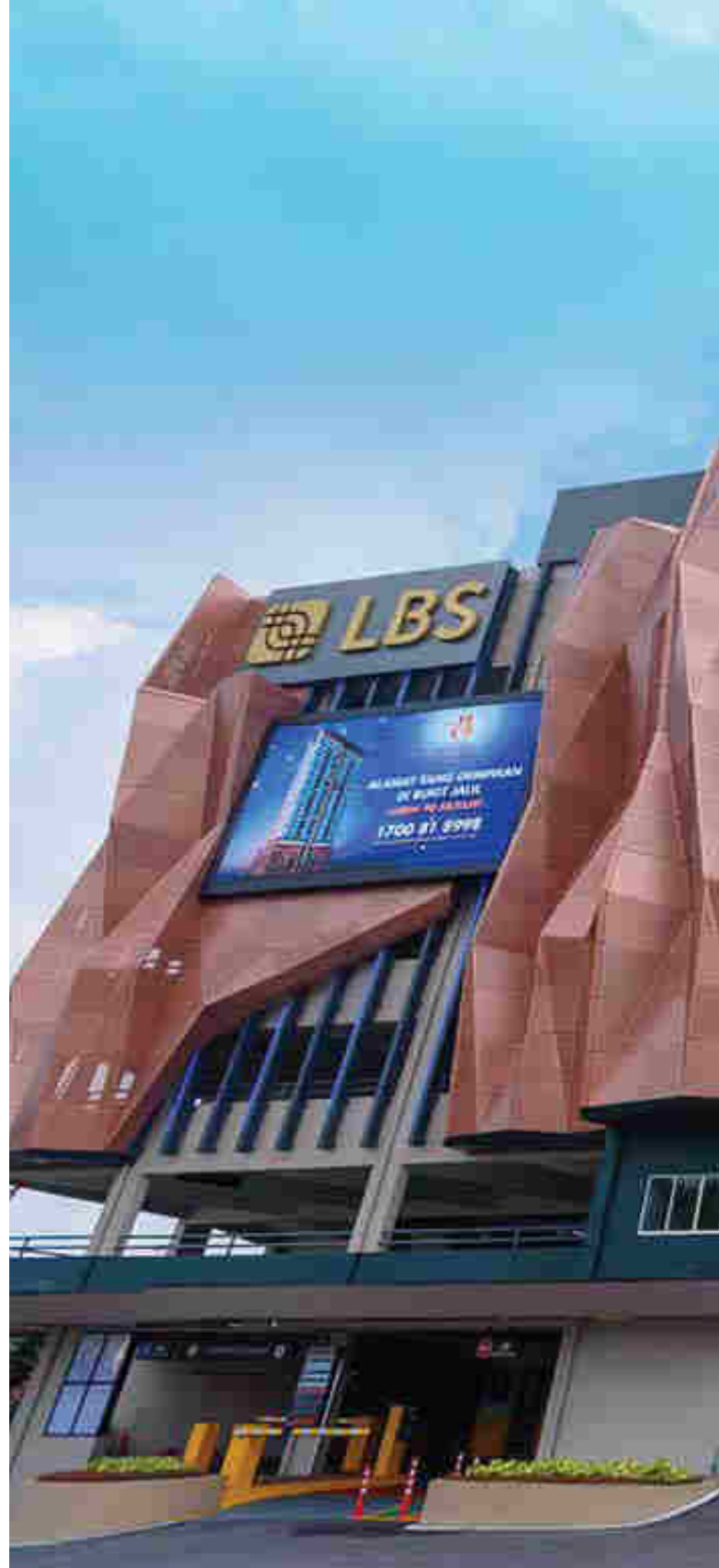
AGM INFORMATION

- 348 Notice of 21st Annual General Meeting
- 354 Privacy Notice Form of Proxy

About LBS

LBS Bina Group Berhad (LBS or the Group) is an investment holding company that is involved in property development and investment activities primarily in Malaysia and the People's Republic of China. LBS was established in 1961 when its founder, the late Dato' Seri Lim Bock Seng, began undertaking construction projects in the township of Petaling Jaya. LBS subsequently went on to be listed on the Main Board of Bursa Malaysia Securities Berhad in January 2002. Today, LBS is a trusted developer and vendor of residential, industrial, and commercial properties. Whether it is their first home, an upgrade to spacious living, or a place for business – we create inspiring and delightful spaces that are motivated by our purchasers' priorities and their lifestyle needs.

Through our subsidiaries, we undertake design and construction, as well as trade in building materials, manufacture industrialised building system ("IBS") precast products and provide civil engineering expertise. Our activities also encompass developing and managing motor racing circuits, general construction, hospitality, financing through money lending, turfing and landscaping, as well as car park management services and retail mall operations. Moving forward, we intend to continue to prudently diversify our business portfolio so as to create long-term, sustainable value for the Group and our stakeholders including the communities that we operate in.





Actual view: LBS, Head Office



BELIEVE
BECOME
BEHOLD

The interweaving designs on the outer walls of the LBS Head Office serve to symbolise the enduring bonds between our founder, the late Dato' Seri Lim Bock Seng and his four sons. Together, they have expanded LBS into a leading property group by infusing it with their core values of unity and the pursuit of excellence. The interwoven pattern then expands into an infinite monogram design, representing LBS' mission of consistently delivering an exceptional performance through progressive creations that present value to all stakeholders and which enrich communities at large.

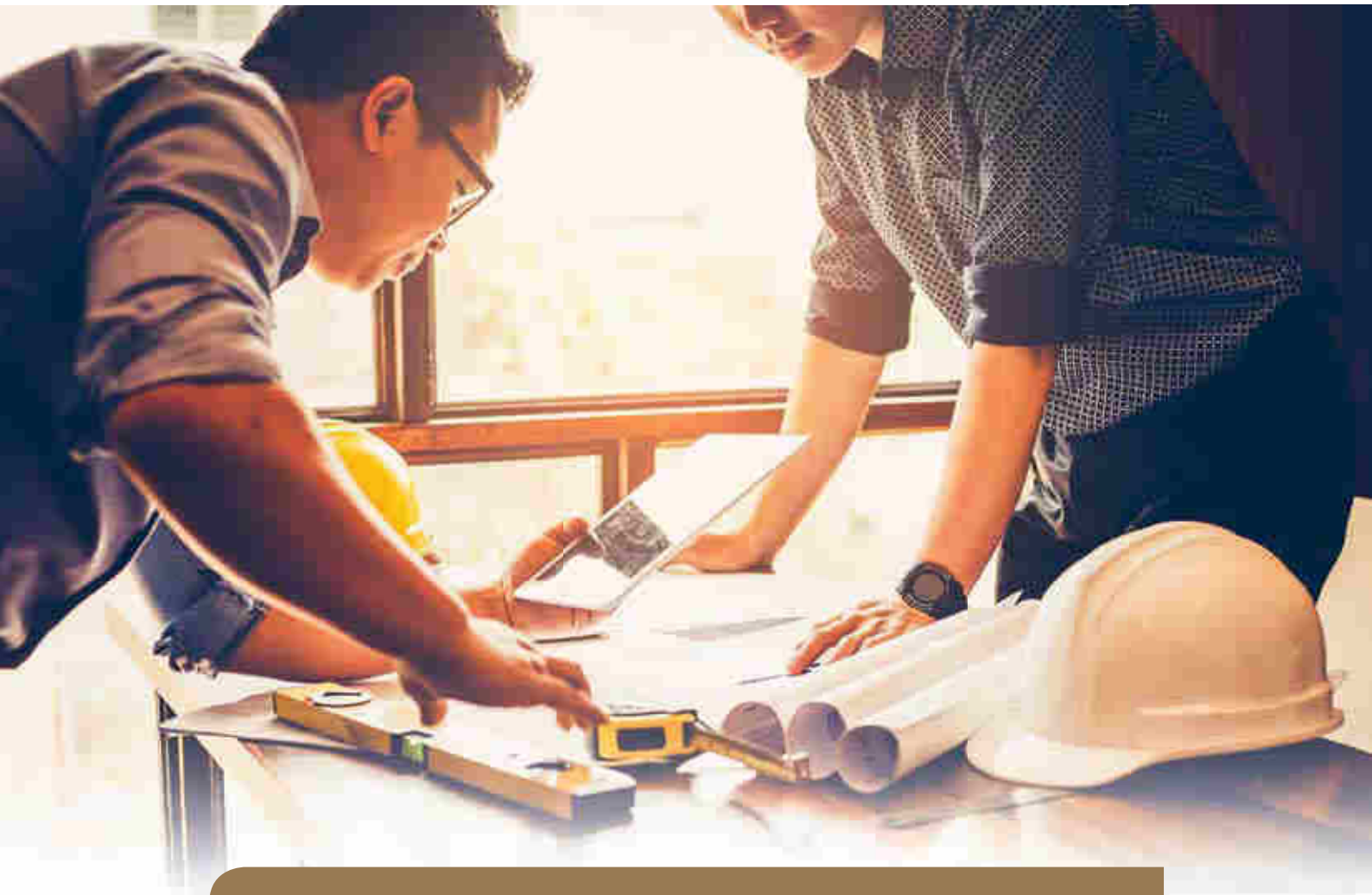
Our Brand Promise

Empowering Individuals, Enhancing Communities

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

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

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



“Here at LBS, we endeavour to deliver inspirational spaces that people will call **HOME**.
At LBS, we don't just build houses,
we shape living habitats for the future.”



LBS at A Glance

As At 30 April 2021



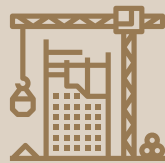
Garnered
8
Awards and
Accolades



Dividend of
1.45 sen*
Per Ordinary Share



More Than
800
Employees
in Malaysia



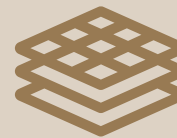
Built more than
38,000
Homes



Revenue
RM1.1 billion
in Year 2020



19
On-Going
Projects in Hand



Land Bank More Than
3,610
Acres

*Subject to the shareholders' approval

CORPORATE INFORMATION

As at 30 April 2021

REGISTERED OFFICE

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

BUSINESS ADDRESSES

HEAD OFFICE

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

CREDIT ADMINISTRATION

No. L3A-21 Plaza Seri Setia
No. 1 Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T + 603 7861 6000
F + 603 7861 6001/6002

PROJECT

No. L3-12, L3-21 & L3-22
Plaza Seri Setia
No. 1 Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T + 603 7877 7333
F + 603 7861 8077

PROPERTY MANAGEMENT/ MAINTENANCE & PROJECT AUDIT

No. L3A-03
Plaza Seri Setia
No. 1 Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T + 603 7877 7333
F + 603 7861 8077

MGB BERHAD

[REGISTRATION NO. 200201021504
(589167-W)]
H-G Sunway PJ@51A
Jalan SS9A/19, Seksyen 51A
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
T + 603 7874 5888
F + 603 7874 5889

IPOH

No. 17 Jalan Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Malaysia
T + 605 255 8820
F + 605 548 6137

CAMERON HIGHLANDS

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

BATU PAHAT

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

REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

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

SALES OFFICES & GALLERIES

D' ISLAND RESIDENCE

No. 3 Jalan Timur 9
D' Island Residence
47130 Puchong
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

BANDAR SAUJANA PUTRA

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

BATU PAHAT

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

BRINCHANG SQUARE

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

MIDHILLS, GENTING HIGHLANDS

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

RESIDENSI BINTANG BUKIT JALIL

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

SKYLAKE RESIDENCE

No. 3 Jalan Timur 9
D' Island Residence
47130 Puchong
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998



ZENOPY RESIDENCES

A-1-13A, Zenopy Residences
Jalan LP 7/4
Taman Lestari Perdana
Puncak Jalil
43300 Seri Kembangan
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 9091

LBS PROPERTY GALLERY

G-10, Ground Floor, M3 Shopping Mall
No. 7, Jalan Madrasah
Taman Melati
53100 Setapak
Kuala Lumpur
Malaysia
Hotline: 1700 81 8998

LBS ALAM PERDANA

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

KITA @ CYBERSOUTH

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

SOLICITORS

Ezzah Elia & Associates
Gan & Zul
H.S.Lim & Malik
Haq & Salleh
Ismail Sabri Wee & Wong
Khairul Azwan & Co
L.M.N. Amran L. Ibrahim
Lee, Ong & Partners
Mandy Tan & Partners
Manjit Singh Sachdev, Mohammad Radzi & Partners
Nanthakumar & Co
Ong & Partners
Rashid Asari & Co
Stella, Lim & Co
Steven Tai, Wong & Partners
Teh Kim Teh, Salina & Co.
The Law Chambers of Hedzril
Ting & Ting

AUDITORS

UHY

PRINCIPAL BANKERS / FINANCIERS

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

STOCK EXCHANGE LISTING

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

WEBSITE

www.lbs.com.my

EMAIL

Customer Service: cs@lbs.com.my

SOCIAL MEDIA

Follow us on:



WeChat

[lbsbinagroupmy](#)



Youtube

[LBS Bina Group](#)



Twitter

[lbsbinagroup](#)



Facebook

[LBS Bina Group](#)

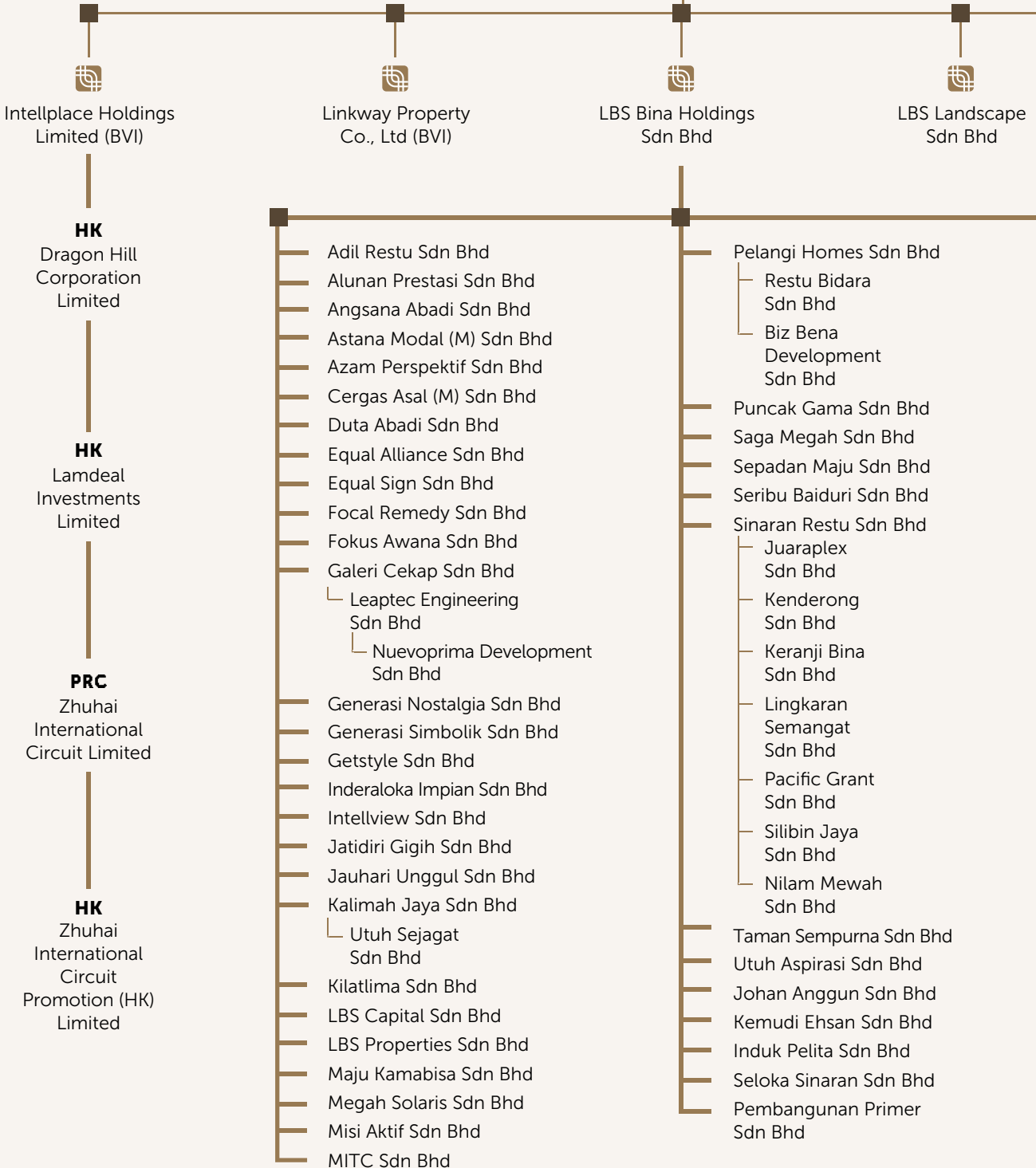


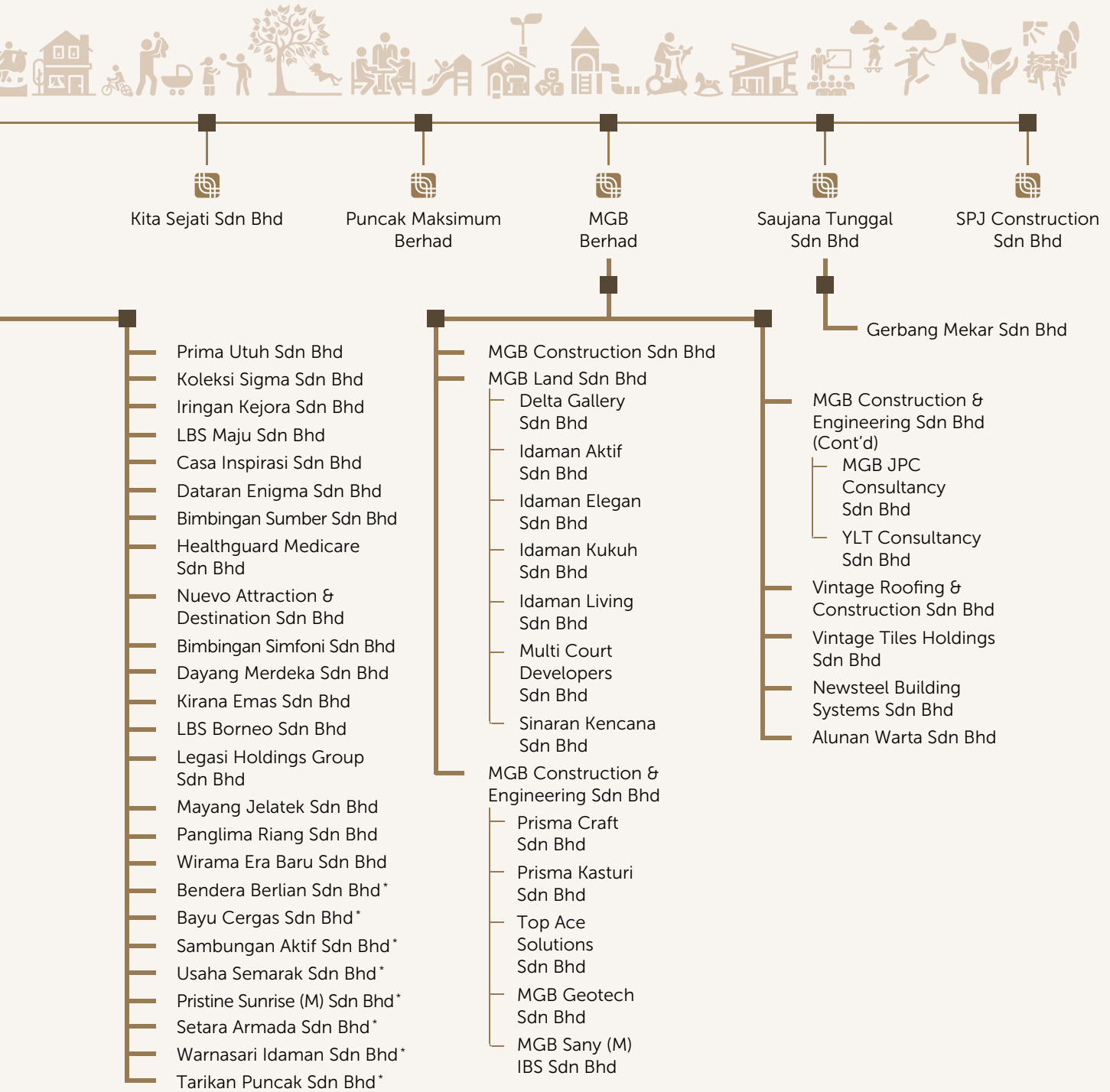
Instagram

[lbsbinagroup](#)

CORPORATE STRUCTURE

As at 30 April 2021





BVI : The British Virgin Islands
 HK : Hong Kong
 PRC : The People's Republic of China
 * associated companies

YEAR IN REVIEW

12

FEBRUARY



Refurbishment of Rumah Puteri Arafiah, Shah Alam

The LBS Foundation took part in the refurbishment of the Rumah Puteri Arafiah ("RPA") centre in Shah Alam. Organised by Pertubuhan Kebajikan Dan Amal Wanita Selangor or Pekawanis, the refurbishment programme was officiated by YAM Tengku Puteri Arafiah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah who was accompanied by the Menteri Besar of Selangor's wife, Datin Seri Masdiana Muhammad. The programme saw the LBS Foundation sponsor furniture sets for two classrooms and one meeting room as well as the tables and chairs for RAP's dining hall. Datuk Wira Joey Lim represented the LBS Foundation as one of the VVIPs during the event.



YAM Tengku Puteri Arafiah, accompanied by Datin Sri Mas, officiated the ribbon cutting ceremony which was witnessed by honourable guests.

22

FEBRUARY



Community Garden Replanting and Bee Conservation Programme at BSP Villa, Bandar Saujana Putra

In February, under the "Program Penanaman Semula Kebun Komuniti Bersempena Pemuliharaan Lebah", the LBS Foundation, Majlis Daerah Kuala Langat, MY Bee Saviour, the Malaysian Society of Arborists, and Persatuan Penduduk Pearl Villa at Bandar Saujana Putra ("BSP"), came together to enhance the community's environmental conservation efforts through tree-planting and bee-keeping activities. The LBS Foundation sponsored 45 trees for the event.

The Orang Besar Daerah ("OBD") of Kuala Langat, Tengku Dato' Mohamed Alhaj, and Timbalan Yang di-Pertua ("YDP") for Kuala Langat, En. Yasin Alwi, attended the event that was held at Pearl Villa, BSP. Meanwhile, the LBS Foundation was represented by En. Najib Mohd Saad and Committee members Ms. Shany Lim, Ms. Jun Ng and Ms. Esther Yong.

Tree planting activities by the residents of BSP Pearl Villa.



06

MARCH

Launch of Mission Cambodia at PDT Kuala Langat

The LBS Foundation presented a RM5,000 donation to the “Misi Amal Kemboja 2020” programme at a mock cheque giving ceremony organised by Persatuan Suri dan Anggota Wanita Perkhidmatan Awam Malaysia or PUSPANITA, Pejabat Tanah Daerah Kuala Langat, Selangor. LBS was represented by En. Amal bin Abdul Aziz, En. Mohd Najib bin Saad and Pn. Norazian Abdul Aziz. The contribution will be channelled to the less fortunate at two identified villages in Cambodia. The event was officiated by the YDP of PUSPANITA and witnessed by the District Officer (“DO”), Tuan Jusni Hashim and the OBD of Kuala Langat.



Tuan Jusni Hashim, the DO together with the sponsors and participants of the mission.

18

MARCH

COVID-19 Efforts: Supporting the Ministry of Sports and Youth

The LBS Foundation contributed face masks worth RM20,000 in total value to the Ministry of Sports and Youth at the height of the COVID-19 pandemic.

19

MARCH



COVID-19 Efforts: LBS Foundation Joins IMARET in Helping Frontliners

The LBS Foundation, in collaboration with the Islamic Medical Association of Malaysia (IMAM) Response & Relief Team or IMARET donated 38 units of industrial stand fans to the Klang District Health Office to be used by clinics and hospitals all over Klang. The total contribution was valued at approximately RM10,000.



Year in Review (Cont'd)

19

MARCH

COVID-19 Efforts: Helping the Frontliners in Banting Hospital

Realising the need for a more conducive environment for healthcare workers as they screen patients in Banting Hospital, the LBS Foundation donated two portable air conditioners to be placed at the transitory tent to support COVID-19 screening procedures.



19

MARCH



COVID-19 Efforts: Tents and Canopies for Sungai Buloh Quarantine Centre

To help the Sungai Buloh Hospital in its roles as both the main health centre dedicated to treating COVID-19 patients and a designated quarantine station, the LBS Foundation contributed a tent and canopy to be used as the extension area for screenings and treatment.

23

MARCH



MGA Charity Golf Tournament 2020, Shah Alam

The Malaysian Golf Association organised the MGA Charity Golf Tournament 2020 which was held at Kota Permai Golf and Country Club. The Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah officiated the event and also acted as the royal patron for this tournament. As a sponsor for the tournament, the LBS Foundation was represented by Dato Sri Daniel, En. Amal Bin Abdul Aziz and En. Mohd Hazziq Khalizan.



Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah with distinguished guests at the charity tournament.



25

MARCH

COVID-19 Efforts: LBS Foundation Contributes to Bangi Quarantine Centre

The LBS Foundation donated a total of 2,000 gloves and 1,000 bottles of mineral water to the Bangi Quarantine Centre, located at the Judicial and Legal Training Institute, Bangi.



26

MARCH

LBS Foundation's Contribution to the Selangor Police Headquarters

The LBS Foundation organised the donation of industrial stand fans to the police on duty at the Selangor PDRM Headquarters in Shah Alam.



01

APRIL

COVID-19 Efforts: LBS Foundation Donates RM50,000 to the Selangor COVID-19 Special Assistance Fund and Other Organisations

The LBS Foundation contributed RM50,000 to the Selangor COVID-19 Special Assistance Fund to help curb the impact of the pandemic as well as to help in the management of current economic challenges in Selangor.



LBS Foundation was represented by En. Amal bin Abdul Aziz at the mock cheque giving ceremony with Dato' Seri Amirudin Shari, Menteri Besar Selangor.

The Group also made the following donations to other organisations:

**Maju Perak Holding –
Cash Donation [RM4,000]**

**Tabung Bencana Negeri Perak –
Cash Donation [RM5,000]**

**Pahang State Government –
Cash Donation [RM20,000]**



Year in Review (Cont'd)

10

APRIL



COVID-19 Efforts: Donation to Purchase Fruits for the Cyberjaya Quarantine Station

The LBS Foundation donated cash to facilitate the purchase of fruits for the quarantine station at Cyberjaya. This contribution was part of the Group's aim to help accommodate the needs of people under quarantine at the station.



10

APRIL

COVID-19 Efforts: Face Masks and Hand Sanitisers for Government Frontliners

In April 2020, it was reported that at least 44 police officers tested positive for COVID-19 while more than 900 additional officers and their families were quarantined due to close contact with positive cases. To help alleviate their plight, the Foundation donated a total of 2,000 face masks and 648 bottles of hand sanitisers to the following:

- Sungei Way Police Station
- Petaling Police Station
- Damansara Utama Police Station
- Kota Damansara Traffic Police
- Sea Park Police Station



LBS Foundation representative, En. Amal bin Abdul Aziz, distributed face masks to several police stations in Selangor.

22

APRIL



COVID-19 Efforts: LBS Foundation Donates RM1 Million to NADMA

LBS Bina Group Berhad, contributed RM1 million to the National Disaster Management Agency (NADMA) COVID-19 Fund through its philanthropic arm, the LBS Foundation.

The mock cheque was presented by the LBS Foundation Board of Trustees represented by Tan Sri Lim Hock San, to the Minister in the Prime Minister's Department (Special Functions), Datuk Seri Mohd Redzuan Md. Yusof, at NADMA headquarter in Putrajaya. Also present were LBS Foundation Board of Trustees, Datuk Wira Joey Lim; Deputy Minister in the Prime Minister's Department (Special Functions), Datin Mastura Yazid; and Director General of NADMA, Dato' Mohtar bin Mohd Abd Rahman.

Speaking at the event, LBS' Tan Sri Lim Hock San said, "During this crisis, LBS Bina Group is committed to flatten the curve of the COVID-19 pandemic and we hope that everyone adheres to the guidelines and MCO protocols implemented by the government. We sincerely hope that everyone will take good care of themselves, their families and friends, and those who work in our healthcare system who will be facing incredibly trying times in the weeks to come."

23

APRIL

COVID-19 Efforts: LBS Foundation Donates PPE to Majlis Daerah Kuala Selangor and Pejabat Daerah Kuala Selangor

The LBS Foundation donated personal protective equipment in the form of hand gloves and face masks to Majlis Daerah Kuala Selangor and Pejabat Daerah Kuala Selangor.



29

APRIL

COVID-19 Efforts: LBS Foundation Donates to ADUN N.05 Hulu Bernam

The Foundation donated 1000 pieces of face masks and RM3,000 in cash to ADUN N.05 Hulu Bernam, YBhg Datuk Hajah Rosni Binti Sohar in aid of the Hulu Bernam community.



Year in Review (Cont'd)

13

MAY

COVID-19 Efforts: LBS Foundation's Donation to REHDA HQ

The LBS Foundation donated face masks to the Real Estate & Housing Developers' Association (REHDA) Malaysia. The contribution was presented to Pn. Aslinda Mohd Noor, the Chief Executive Officer of REHDA at the REHDA Headquarters.



11

JUNE -

31

JULY

1 LIKE = RM1 Pledge Campaign on LBSF Social Media

As part of its efforts to help those in need, the LBS Foundation organised a fundraising initiative for Madam Chou and her family that kicked off with the donation of essential goods.



The Foundation's Committee also organised a fundraising campaign on its official social media platform which saw the Foundation matching every 'like' on its post with an RM1 donation to the family. The campaign resulted in the Group donating RM2,000 to help Madam Chou and her family.

02

JULY



Donation of Trees to Majlis Perbandaran Sepang

The LBS Foundation donated 600 trees to Majlis Perbandaran Sepang.

Donation of Trees to Majlis Perbandaran Kuala Langat

The LBS Foundation donated 600 trees to Majlis Perbandaran Kuala Langat which were in turn distributed to the following organisations:

- Persatuan Taman Rekreasi Paya Bakau Sijangkang
- Persatuan Penduduk Taman Damai
- Sekolah Menengah Kebangsaan Banting Baru
- Sekolah Menengah Tinggi Agama Ampuan Rahimah
- Balai Bomba Teluk Panglima Garang





21
JULY

RPA Refurbished Kitchen Handover

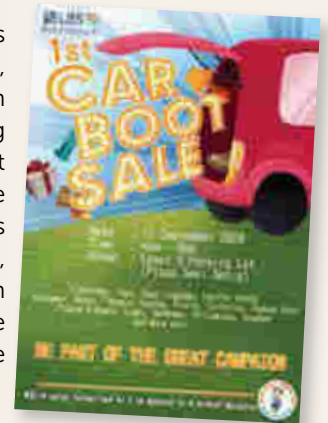
The LBS Foundation was invited to “Majlis Serahan Dapur Baharu RPA”, a symbolic soft launch of the new refurbished kitchen at RPA which the Foundation funded. Dato’ Cynthia Lim together with Datin Seri Masdiana Muhamad jointly officiated the ribbon cutting ceremony at the new kitchen after which Dato’ Cynthia visited the classroom and the activity room at RPA.



11
SEPTEMBER

LBSF Charity Car Boot Sale

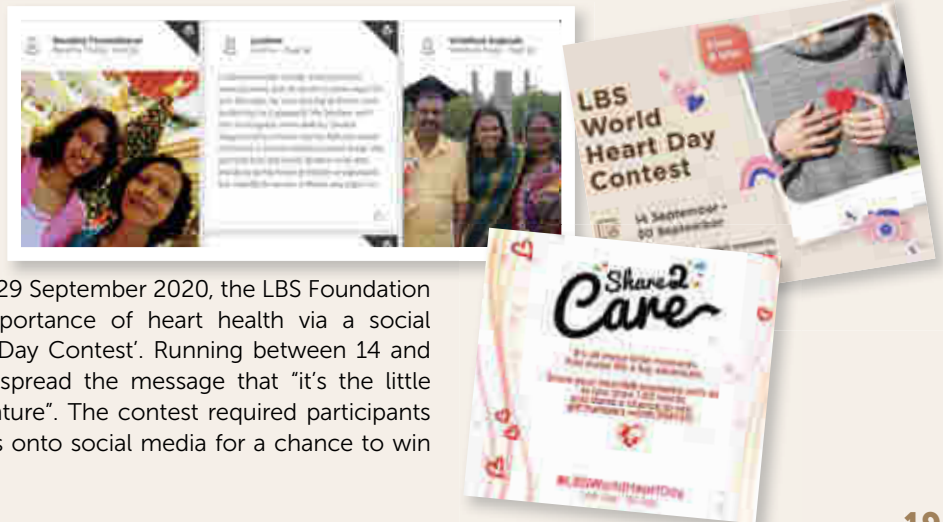
The LBS Foundation organised its inaugural “Charity Car Boot Sale”, which was held at the LBS Function Room. Receiving overwhelming response from staff, the event raised close to RM3,000 from the sale of coupons for items such as preloved clothing, arts, tea bags, cookies, snacks, foods and much more. Following the event, the Foundation donated 40% of the proceeds to Ajar-Ajar Malaysia.



14
SEPTEMBER

LBS World Heart Day Contest

In conjunction with World Heart Day on 29 September 2020, the LBS Foundation set out to raise awareness of the importance of heart health via a social media contest called ‘LBS World Heart Day Contest’. Running between 14 and 30 September, the contest set out to spread the message that “it’s the little moments in life that make life an adventure”. The contest required participants to upload their most sentimental photos onto social media for a chance to win gift hampers.



Year in Review (Cont'd)

26

SEPTEMBER

Jom Tanam 1000 Bakau

The LBS Foundation donated and planted 1,000 mangrove trees at Taman Rekreasi Paya Bakau Sijangkang, Selangor in an event officiated by YDP Majlis Perbandaran Kuala Langat, YBhg. Dato' Amirul Azizan bin Abd Rahim. The event was part of the "Selangor – Friends of River" initiative which was launched by the Chief Minister of Selangor. The initiative aims to conserve and preserve up to 30 rivers in the state through the help of local communities.



27

SEPTEMBER

Charity Concert by Young Musicians

The LBS Foundation, J Music Studio, Bentley Music, Steinway & Sons, and a band of talented young musicians collaborated to help raise funds for Suriana Welfare Society Malaysia in partnership with the "Food Aid COVID-19 Initiative" for 600 families in crisis.



03

NOVEMBER



Abundance Charity Fair

The LBS Foundation partnered with Persatuan Hokkien Sungai Way Selangor, Poh Kong Sdn Bhd, Sogo Plastics and PIBG SRJKC Sungai Way to organise the "Abundance Charity Fair". Held at SRJKC Sungai Way, Selangor, the event saw donors contribute to the cause through the purchase of coupons which resulted in the collection of RM186,000 in funds. The donations were divided among the five organising partners to be channelled to each organisation's appointed charity. Puan Seri Karen Wang, the patron and the main organiser of this event graced the cheque giving ceremony held at LBS HQ, Petaling Jaya where donations were presented to several organisations.





24

NOVEMBER

Abundance Charity Series – Donation to Pertubuhan Amal Sosial Masyarakat Penyayang Malaysia

The LBS Foundation donated RM5,000 to Pertubuhan Amal Sosial Masyarakat Penyayang Malaysia, an NGO based in Kuala Lumpur whose main focus is to provide essential medical and healthcare equipment for the needy. The donations were partly collected during the “Abundance Charity Fair” organised by LBS. The NGO was represented by Mr. Veni Jaya during the cheque giving session.



26

NOVEMBER

Abundance Charity Series – Donation for Suriana Welfare Society Malaysia

The LBS Foundation made a donation to the Suriana Welfare Society Malaysia, a recipient of the Group’s “Abundance Charity Fair” contributions. Puan Seri Karen Wang, the patron for the “Abundance Charity Fair”, presented the gift and goodie bags for the children.



14

25

DECEMBER

Make it a December to Remember

The LBS Foundation collaborated with the C for Cakes team on a very delectable and exciting Christmas project, called “Make it a December to Remember”. The project saw LBS spread love and joy during the holiday season by making amazing cakes available for everyone, all while extending support to those less fortunate during this difficult time.



18

DECEMBER

Soursop Saplings Giveaway

The LBS Foundation gifted 500 soursop saplings to RPA, LBS and MGB staff to encourage both the spirit of giving and the culture of growing plants for a greener future. By conducting this activity, the LBS Foundation is strengthening environmental conservation efforts.



20

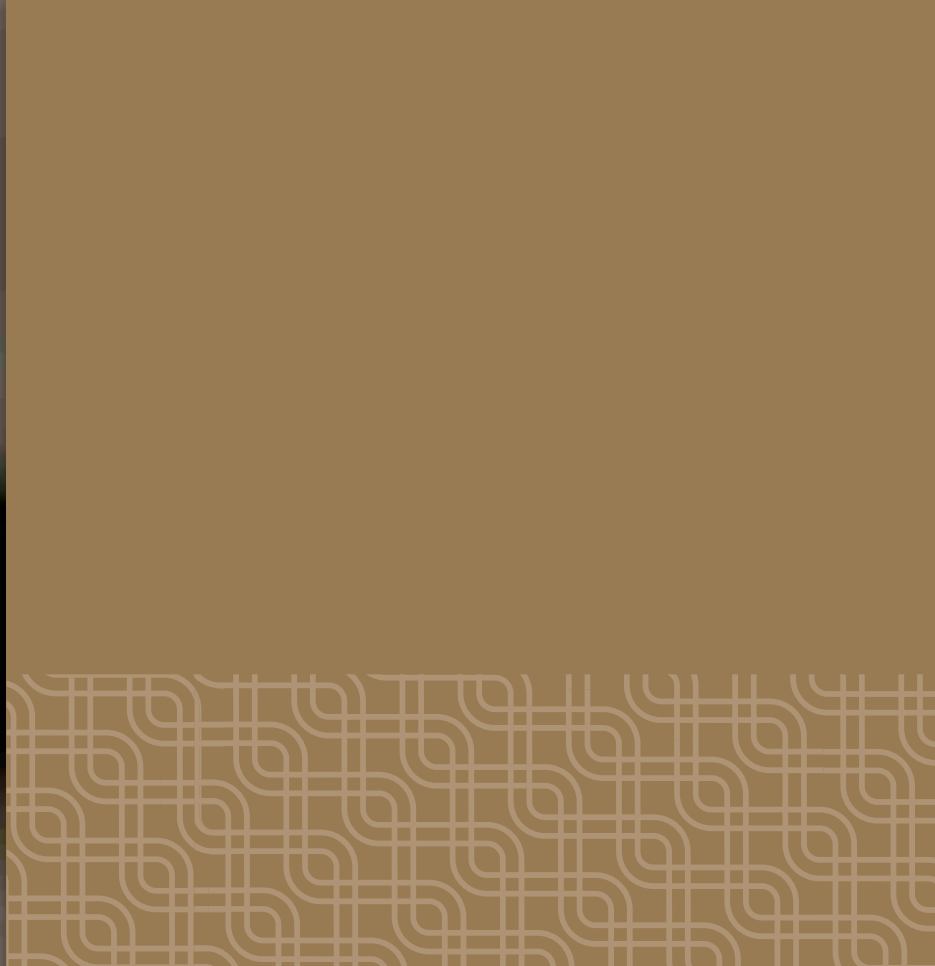
DECEMBER

Program Sumbangan BSP

The LBS Foundation donated RM2,000 to Majlis Perwakilan Penduduk BSP during the “Program Sumbangan BSP” officiated by YAM Tengku Dato’ Muhammad AlHaj bin Tengku Harun, the OBD of Kuala Langat. The donation was used to help families at BSP who were deprived not only of income, but food and other necessities due to the COVID-19 pandemic.







EMBRACING CHANGE, REMAINING RELEVANT

Here at LBS Bina, we are steadfastly embracing change to remain relevant. With change comes the need for unity and compromise. In 2020, our ever-adaptable team worked hard to ensure that we moved forward as one amidst every challenge that came our way.

As one of the first developers in the mid-tier segment to focus on digitalisation, we benefitted greatly from leveraging on technology within our daily operations, processes and procedures. Even as we had worked hard to futureproof ourselves, we were able to quickly adapt to the new normal when the pandemic and restricted movement orders hit us. As we move forward to embrace the new market realities as a team, we will continue to remain united, flexible and resilient.

BOARD AND BOARD COMMITTEES

BOARD OF DIRECTORS

The Late Dato' Seri Lim Bock Seng

SSSA, DPMS, AMN

(Chairman)

Resigned as Chairman with effect (1 March 2021)

Tan Sri Dato' Sri Lim Hock San

PSM, SSAP, DSSA, JP

(Executive Chairman)

Redesignated as Executive Chairman with effect (1 March 2021)

Datuk Wira Lim Hock Guan

DCSM, DMSM, PJK, JP

(Managing Director)

Redesignated as Managing Director with effect (1 March 2021)

Maj (Hon) Dato' Sri Lim Hock Sing

SSAP, DIMP, JP

(Executive Director)

Dato' Sri Lim Hock Seong

SSAP, DMSM

(Executive Director)

Dato' Chia Lok Yuen

DIMP

(Executive Director)

Resigned as Executive Director with effect (31 December 2020)

Dato' Lim Mooi Pang

DIMP

(Executive Director)

Datuk Dr. Haji Baharum Bin Haji Mohamed

DMSM, AMN, PIS

(Senior Independent Non-Executive Director)

Datuk Lim Si Cheng

PJN, PIS

(Independent Non-Executive Director)

Datuk Lim Tong Lee

DPSM

(Independent Non-Executive Director)

Dato' Lim Han Boon

DIMP

(Independent Non-Executive Director)

Appointed as Non-Executive Director with effect (27 August 2020)

Lim Kim Kiat

(Executive Director)

Appointed as Executive Director with effect (1 January 2021)



AUDIT COMMITTEE

Datuk Lim Tong Lee (Chairman)
Datuk Dr. Haji Baharum Bin Haji Mohamed
Datuk Lim Si Cheng

NOMINATION AND REMUNERATION COMMITTEE

Datuk Dr. Haji Baharum Bin Haji Mohamed
(Chairman)
Datuk Lim Tong Lee
Datuk Lim Si Cheng

ESOS COMMITTEE

Datuk Lim Tong Lee (Chairman)
Datuk Dr. Haji Baharum Bin
Haji Mohamed
Datuk Lim Si Cheng
Datuk Wira Lim Hock Guan

RISK MANAGEMENT COMMITTEE

Datuk Wira Lim Hock Guan
(Chairman)
Dato' Lim Mooi Pang
Datuk Lim Tong Lee
Dato' Lim Han Boon
Lim Kim Kiat

COMPANY SECRETARIES

Lee Ching Ching
Chooy Wai Nee

From left to right:

- | | | |
|--|--------------------------------------|---|
| 1. Datuk Dr. Haji Baharum Bin Haji Mohamed | 5. The Late Dato' Seri Lim Bock Seng | 9. Datuk Lim Tong Lee |
| 2. Dato' Lim Mooi Pang | 6. Datuk Wira Lim Hock Guan | 10. Dato' Lim Han Boon |
| 3. Dato' Sri Lim Hock Seong | 7. Datuk Lim Si Cheng | 11. Lim Kim Kiat |
| 4. Tan Sri Dato' Sri Lim Hock San | 8. Maj (Hon) Dato' Sri Lim Hock Sing | 12. Dato' Chia Lok Yuen
(Resigned on 31 st December 2020) |



DIRECTORS' PROFILES

THE LATE DATO' SERI LIM BOCK SENG

Resigned on 1 March 2021

Passed away on 28 March 2021

Chairman,
Non-Independent Executive Director



Male



90 years old



Malaysian

Date of Appointment:

6 December 2001

Membership of Board Committees

Nil



Academic/Professional Qualifications

Dato' Seri Lim, the founder of LBS Bina, brought to the table with more than 50 years of experience in the construction and property development sectors. He was initially involved in the supply and transportation of sand, aggregates, earth and ball clay for construction of infrastructure works such as earthworks, sewerage works, roads and drainage. Subsequently, he ventured into the construction of houses, shops and factory buildings.

Philanthropic Contributions

Dato' Seri Lim was active in community activities, particularly in the Seri Setia area in Petaling Jaya, Selangor. He sat on the boards and committees of the following non-profit organisations, serving in these positions:

- Permanent Honorary Chairman of Seri Setia Old Folks Home
- Honorary Adviser to Khuan Loke Club Seri Setia

- Honorary Adviser to General Traders Association Sungai Way – Subang
- Honorary Chairman of the Old Boys Association of SJK (C) Sungai Way
- Honorary Adviser for Youth Club Sungai Way
- Honorary Adviser of Selangor and Kuala Lumpur Lim Clansmen Association
- Honorary Chairman of the Management Board and Building Committee of SJK (C) Sungai Way
- Honorary Chairman of Persatuan Hokkien Sungai Way
- Honorary President of the Federation of Hokkien Association Malaysia
- Permanent Honorary Adviser to Loong Thien Kong Kajang
- Permanent Honorary Adviser to Persatuan Penganut Tho Guan Sen
- Permanent Honorary Adviser to Wei Long Temple Happy Garden Kuala Lumpur
- Honorary Chairman to Ulu Selangor Ann Kooi Association
- Honorary Adviser to Federation of Association of Lim Clansmen
- Honorary Chairman to Selangor & Kuala Lumpur Ann Kooi Association

Directorships in Public Companies and Listed Issuers

Dato' Seri Lim also served as a member on the board of several subsidiaries of the Group.

Notes

Dato' Seri Lim is the father of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Managing Director), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director), Dato' Sri Lim Hock Seong (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

Academic/Professional Qualifications

Tan Sri Lim graduated with First Class Honours in Civil Engineering from the University of Wales, the United Kingdom, in 1982. Upon his return to Malaysia, he joined the family business that then comprised lorry transportation and construction activities. Within two decades, the company had expanded to include holdings in the property development, insurance and tourism industries.

Tan Sri Lim was appointed the Managing Director of LBS on 6 December 2001. Combining excellent entrepreneurial skills with acquired management and technical experience, he has led LBS Group to become a leading player in the property development industry. On 1 March 2021, Tan Sri Lim was appointed as the Executive Chairman of LBS Group, following Dato' Seri Lim Bock Seng's retirement.

Achievements/Awards

These outstanding accolades were awarded personally to Tan Sri Lim:


- Second Prize in the British Steel Corporation Competition for Design in Hollow Steel Section, 1982
- The inaugural Platinum Entrepreneur Award by SMI Association of Malaysia, 2011
- Prestigious Entrepreneur of the Year by Asia Pacific Entrepreneurship Awards (APEA), 2012
- Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2014
- World Chinese Economic Summit (WCES) Lifetime Achievement Award for continued efforts in enhancing bilateral relations between Malaysia and China (Guangdong Province), 2015
- The BrandLaureate Hall of Fame – Lifetime Achievement Brand Icon Leadership Awards by Asia Pacific Brands Foundations, 2015
- Global Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2016
- Most Affluent Chinese Entrepreneur Awards, 2016
- Property Insight Prestigious Developer Awards (PIPDA) - Personality of the Year, 2017
- Asia Corporate Excellence & Sustainability Awards (ACES) - Outstanding Leader in Asia, 2017
- Special Distinguished Award for Promotion of China-ASEAN Relations at the 9th World Chinese Economic Summit (WCES), 2017
- Worldwide Excellence Award (WEA) - Person of the Year, 2017
- Queen Victoria Commemorative Medal by The Europe Business Assembly, 2017
- 8th Global Leadership Awards 2018 - Lifetime Achievement Award, 2018
- The BrandLaureate Prominent Business Brand Awards: Most Eminent - Prominent Business Brand Leadership Award, 2018
- The BrandLaureate Special Edition World Awards: BrandLaureate World Brandpreneur Hall of Fame - Lifetime Achievement Award, 2018
- FIABCI Malaysia Property Award - Property Man of the Year, 2018
- Des Prix Infinitus Asean Property Award 2019 - Lifetime Achievement, 2019



TAN SRI DATO' SRI LIM HOCK SAN

Executive Chairman of
LBS Bina Group Berhad,
Non-Independent Executive Director

 Male

 63 years old

 Malaysian

Date of Appointment:

6 December 2001 (Managing Director)
1 March 2021 (Executive Chairman)

Membership of Board Committees

Nil

- Property Insight Prestigious Developers Awards (PIPDA) 2019 - Lifetime Achievement Award, 2019
- iProperty Development Excellence Awards (iDEA) 2019 - Innovative Leader of the Year, 2019

Philanthropic Contributions

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

- Chairman, Board of Governors of SMJK Katholik
- Chairman, Board of Governors of SJK (C) Tun Tan Siew Sin
- Chairman, Selangor/ K.L Lim Clansmen Association
- President, The Federation of Hokkien Associations Malaysia
- President, The Federation of Malaysia Lim Associations
- President, Malaysia-Guangdong Chamber of Investment Promotion
- Honorary Life President, Persekutuan Persatuan-Persatuan Ann Koai Malaysia
- Honorary Life President, Persatuan Anxi Selangor Dan W.P. Kuala Lumpur
- Vice President, Fujian Overseas Exchanges Association 6th Council
- Vice President, The World Lin's Association
- Honorary Life Chairman, Board of Governors of SJK (C) Sungai Way
- Honorary Life Chairman, Selangor Petaling Business & Industry Association
- Honorary Chairman, Rumah Berhala Leng Eng Tian
- Honorary Life President, Gabungan Persatuan Cina Petaling Jaya, Selangor
- Honorary President, Malaysia-China Chamber of Commerce
- Honorary President, Malaysia-China Silk Road Entrepreneurs Association
- Honorary President, The Federation of Malaysian Clans and Guilds Youth Association

- Honorary President, Catholic High School Alumni Association
- Honorary President, Persatuan Penganut Tho Guan Sen
- Honorary President, Young Malaysians Movement
- Honorary Life Adviser, The Federation of Chinese Associations Malaysia
- Honorary Life Adviser, Tan Kah Kee Educational Charity Foundation
- Honorary Adviser, The Federation of Malaysia Chinese Surname Association
- Honorary Adviser, Gabungan Persatuan Keturunan Cina Negeri Sembilan
- Adviser, Persatuan Ko Chow Sungai Way
- Adviser, Kelab Sungai Way
- Adviser, Majlis Pembangunan Sekolah Menengah Jenis Kebangsaan Malaysia
- Advisory Committee, Malaysia China Mergers & Acquisitions Association
- Overseas Representative, The 5th Session of The 12th Chinese People's Political Consultative Conference 2017
- Overseas Representative, Fujian Chinese People's Political Consultative Conference 2015
- Committee, The 6th China Overseas Exchange Association
- Committee, China Federation 10th Plenary Session
- Committee, Fujian Provincial Federation
- Committee, The 5th China Overseas Friendship Association

Directorships In Public Companies And Listed Issuers

Tan Sri Lim holds directorship of several subsidiaries in the LBS Group and is the Group Managing Director of MGB Berhad.

Notes


Tan Sri Lim is a brother of Datuk Wira Lim Hock Guan (Managing Director), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director), Dato' Sri Lim Hock Seong (Executive Director) and Dato' Lim Mooi Pang (Executive Director). He is also the father of Mr Lim Kim Kiat.

Directors' Profiles (Cont'd)

DATUK WIRA LIM HOCK GUAN

Managing Director,
Non-Independent Executive Director

 Male

 59 years old

 Malaysian

Date of Appointment:

6 December 2001 (Executive Director)
1 March 2021 (Managing Director)

Membership of Board Committees

Datuk Wira Lim Hock Guan is The Chairman of the Risk Management Committee and a member of ESOS Committee in LBS.



Academic/Professional Qualifications

Datuk Wira Lim Hock Guan holds a degree in Civil Engineering from the Tennessee Technology University, USA. Upon his graduation, he began his career as a civil engineer.

With over 30 years of extensive experience in the field of property development and construction, Datuk Wira Lim Hock Guan is in charge of the Group's projects and is one of the major driving forces behind the LBS Group's successful implementation of projects in the Klang Valley.

Philanthropic Contributions

Being active in community works, Datuk Wira Lim Hock Guan sits on the board of the following non-profit organisations:

- Chairman of Persatuan Hokkien Sungai Way
- President of Selangor Petaling Business & Industry Association
- Vice President of Malaysia-

Guangdong Chamber of Investment Promotion

- Vice President of The Malaysian Chamber of Commerce in Guangdong, China.

He is also a qualified sharpshooter from the National Rifle Association in Washington D.C.

Directorships in Public Companies and Listed Issuers

He sits on the board of MGB Berhad, a listed company as an Executive Director as well as several subsidiaries of the Group.

Notes

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



MAJ (HON) DATO' SRI LIM HOCK SING

Executive Director,
Non-Independent Executive Director



Male



58 years old



Malaysian

Date of Appointment:

6 December 2001

Membership of Board Committees

Nil

Academic/Professional Qualifications

Maj (Hon) Dato' Sri Lim Hock Sing obtained his Bachelor of Accounting Degree from Eastern Washington University in 1989. Upon his graduation, he started practicing as an audit supervisor at Khoo & Co, a local public accounting firm. He was appointed Director of LBS Bina in 1991 and has been entrusted with LBS Group's interests in the states of Pahang and Johor.

Dato' Sri Lim Hock Sing has devoted his professional career to LBS Group with his accountancy background and with over 30 years of experience in property development, contributing invaluable aptitude in matters of finance, marketing and real estate evaluation. He is active in the day-to-day operation of the Group.

Philanthropic Contributions

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

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

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

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

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

Directorships in Public Companies and Listed Issuers

He sits on the board of several subsidiaries of the Group.

Notes

He is a brother of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Managing Director), Dato' Sri Lim Hock Seong (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

Directors' Profiles (Cont'd)

DATO' SRI LIM HOCK SEONG

Executive Director,
Non-Independent Executive Director



Male



55 years old



Malaysian

Date of Appointment:

6 December 2001

Membership of Board Committees

Nil



Academic/Professional Qualifications

Dato' Sri Lim Hock Seong graduated from Kolej Damansara Utama with a Diploma in Telecommunication and Computer Engineering. He was appointed as Executive Director of LBS on 6 December 2001. He is also the Director of LBS Bina since 1992.

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

Philanthropic Contributions

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

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

Directorships in Public Companies and Listed Issuers

Dato' Sri Lim Hock Seong sits on the board of several subsidiaries of the Group.

Notes


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



DATO' LIM MOOI PANG

Executive Director,
Non-Independent Executive Director

 Female

 54 years old

 Malaysian

Date of Appointment:

16 July 2009

Membership of Board Committees

Datuk Lim Mooi Pang is the Chairperson of the Sustainability Committee and a Member of the Risk Management Committee in LBS.

Academic/Professional Qualifications

Dato' Lim Mooi Pang graduated with an Honours Degree in Management Studies from the University of Waikato, New Zealand. She began her career with Messrs. Ernst & Young New Zealand where she attained her qualifications as a member of the New Zealand Institute of Chartered Accountants. Her last position with Ernst & Young was as Senior Audit Manager. She is a Fellow Member of Chartered Accountants Australia and New Zealand.

Before joining LBS Group in May 2004, she was the Director of Finance and Administration with Speedline Technologies, an American multi-national company based in Singapore.

Prior to her current position, Dato' Lim Mooi Pang was the Senior General Manager of the Overseas Operating Division where she oversaw and managed LBS Group's investments in Zhuhai, China.

She continues to be the Vice-Chairman of Zhuhai International Circuit Ltd. She is currently responsible for LBS Group's corporate functions in Accounts and Finance, Human Resource and Administration, Purchasing and Rental, Sales and Marketing Communication, Program Management Office, Special Project Office, Legal, Hotel, Retail and Secretarial & Corporate Affairs.

Directorships in Public Companies and Listed Issuers

Dato' Lim Mooi Pang sits on the board of several subsidiaries of the Group.

Notes

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

Directors' Profiles (Cont'd)

DATUK LIM TONG LEE

Director,
Independent Non-Executive Director

 Male

 53 years old

 Malaysian

Date of Appointment:

22 May 2013

Membership of Board Committees

Datuk Lim Tong Lee is Chairman of the Audit Committee and ESOS Committee in LBS and a member of the Nomination and Remuneration Committee, and the Risk Management Committee in LBS.



Academic/Professional Qualifications

Datuk Lim Tong Lee has extensive experience in private equity, corporate finance and auditing, having started his career with Ernst & Young Kuala Lumpur for five years before joining AmInvestment Bank Berhad in 1995. After two years, he was employed as the General Manager of Corporate Finance for a property development company in 1997. He returned to AmInvestment Bank Berhad in 1999 as the Director of Corporate Finance, a position he held until 2007. Subsequently, he joined AmFraser Securities Pte. Ltd. Singapore, as the Director/Head of Corporate Finance. He left AmFraser in 2013 and joined AmWater Investments Management Pte. Ltd. Singapore, as the Chief Investment Officer. By 2014, he was recruited by Venstar Capital Management Pte. Ltd. Singapore, as their Senior Vice President; he then left in 2015 to join KGI Fraser Securities Pte. Ltd. Singapore, as the Head of Corporate Finance until 2017.

He is also a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Directorships in Public Companies and Listed Issuers

He sits on the Boards of ValueMax Group Limited and Versalink Holdings Limited, both listed on the Singapore Stock Exchange, as an Independent Non-Executive Director.

Notes


He does not have any conflict of interest with the Company or any family relationship with any other Director and/or major shareholders of the Company.



DATUK DR. HAJI BAHARUM BIN HAJI MOHAMED

Director,
Senior Independent Non-Executive Director

 Male

 64 years old

 Malaysian

Date of Appointment:

20 August 2013 (Independent Non-Executive Director)

19 April 2014 (Senior Independent Non-Executive Director)

Membership of Board Committees

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

Academic/Professional Qualifications

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

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

Directorships in Public Companies and Listed Issuers

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

Notes

He does not have any conflict of interest with the Company or any family relationship with any other Director and/or major shareholders of the Company.

Directors' Profiles (Cont'd)

DATUK LIM SI CHENG

Director,
Independent Non-Executive Director



Male



71 years old



Malaysian

Date of Appointment:

20 August 2013

Membership of Board Committees

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



Academic/Professional Qualifications

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

Philanthropic Contributions

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

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

Directorships in Public Companies and Listed Issuers

Datuk Lim sits on the board of Koperasi Jayadiri Malaysia Berhad. Currently, he is the Independent and Non-Executive Director of Xian Leng Holdings Berhad.

Notes

He does not have any conflict of interest with the Company or any family relationship with any other Director and/or major shareholders of the Company.



DATO' LIM HAN BOON

Independent Non-Executive Director



Male



63 years old



Malaysian

Date of Appointment:

27 August 2020

Membership of Board Committees

Member of the Risk Management Committee in LBS

Academic/Professional Qualifications

Dato' Lim Han Boon holds a Master's Degree in Business Administration from the University of South Australia, Australia. He also attended the Senior Management Development Program at Harvard Business School. Furthermore, he is a Fellow member of the Association of Chartered Certified Accountants in the United Kingdom, the Chartered Accountant of Malaysian Institute of Accountants and a member of the Chartered Management Institute, United Kingdom.

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

He is also no stranger in the Global Business Services/Outsourcing Industry having spent more than 15 years in this industry as the founder of Envo BPO Services Sdn Bhd, a leading outsourcing company in Malaysia.

Directorships in Public Companies and Listed Issuers

He is the Senior Independent Non-Executive Director of Top Glove Corporation Bhd and a Board Member of Kuen Cheng High School Kuala Lumpur. He is also an advisor to Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association of Malaysia.

Notes


He does not have any conflict of interest with the Company or any family relationship with any other Director and/or major shareholders of the Company.

Directors' Profiles (Cont'd)

LIM KIM KIAT

Executive Director,
Non-Independent Non-Executive Director

 Male

 34 years old

 Malaysian

Date of Appointment:

1 January 2021 (Executive Director)

Membership of Board Committees

A member of Risk Management Committee



Academic/Professional Qualifications

Mr Lim Kim Kiat graduated with an Honours Degree in Bachelor of Engineering (Engineering Management - Mechanical & Manufacturing) from The University of Melbourne, Australia in 2008.

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

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

Directorships in Public Companies and Listed Issuers

Nil

Notes

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



DATO' CHIA LOK YUEN

Resigned on 31 December 2020

Executive Director,
Non-Independent Executive Director



Male



62 years old



Malaysian

Dato' Chia Lok Yuen was appointed as a Director of LBS on 6 December 2001 and was promoted to Executive Director on 1 July 2005. He is a Fellow member of the Institute of Chartered Secretaries and Administrator, UK (FCIS) and has obtained a Diploma in Banking and Finance from the Institute of Bankers Malaysia. He holds an MBA from the prestigious Heriott-Watt University in Edinburgh, United Kingdom.

Dato' Chia was previously a banker by profession with an established local bank for more than 16 years. He has gained vast experience and exposure in local and international corporate business dealings.

He joined the LBS Group as Senior General Manager in 1996, being in charge of the overall management and business operations of the Group. He has contributed significantly towards the growth of LBS and its eventual listing in the Bursa Malaysia Securities Berhad.

He is responsible for LBS Group's corporate functions including IT, Treasury, Investor Relations, Legal, Credit & Property Management and Secretarial & Corporate Affairs.


Dato' Chia also sits on the board of several subsidiaries of the Group.

Disclaimer notes


He does not have any conflict of interest with the Company or any family relationship with any other Director and/or major shareholders of the Company.

KEY SENIOR MANAGEMENT


CORPORATE



**PUAN SRI DATIN SRI
KAREN WANG SWEE HONG**
Senior General Manager,
Information Technology



CHANG YEE KHIM
General Manager,
Accounts and Finance



CHONG SIEW PHENG
General Manager,
Treasury



DORIS LEE CHING CHING
General Manager,
Secretarial & Corporate Affairs



SALLY LAU SAU KHENG
General Manager,
Sales and Marketing Communications



WONG KAH YEEN
General Manager,
Credit Administration

PROPERTY DEVELOPMENT



CHEN SAU HIONG

Head of Project -
Klang Valley



LOH YIN HUI

General Manager, Property Management /
Maintenance & Project Audit



LEE CHEONG SAN

Assistant General Manager,
Project



**NICHOLAS LOO
KONG CHIN**

Assistant General Manager,
Project



MOHD NASIR ISMAIL

General Manager,
Scapes Hotel

HOTEL

OVERSEAS



STEWART TAN SENG TEONG

General Manager,
Zhuhai International Circuit



WONG KOK CHING

Deputy General Manager,
Zhuhai International Circuit

KEY SENIOR MANAGEMENT PROFILES

PUAN SRI DATIN SRI KAREN WANG SWEE HONG

Senior General Manager of Information Technology

 Female

 61 years old

 Malaysian

Date of Appointment: 1 January 2014

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

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

Puan Sri also continues to manage the Group's social and recreational activities in her role as an advisor of LBSclub since 2003. LBSclub is managed by a committee who is nominated on an annual basis and serves as a platform for all company personnel to enjoy a variety of social and recreational activities such as monthly birthday celebrations, special contests, fun games, bowling tournaments, treasure hunts and team-building events. She is also the Chief Editor of the LBS monthly e-news publication.

The special CSR projects under Puan Sri's purview are the annual Kiwanis Motor Treasure Hunt of which LBS is a Gold Sponsor for the 14th consecutive year and for the Hospis Malaysia Charity Treasure Hunt of which LBS is a Platinum Sponsor for the fourth consecutive year.

As an advocate for community works, Puan Sri Karen holds the following positions in these non-profit organisations:

- Honorary President, Persatuan Shing An Selangor dan Kuala Lumpur
 - Adviser, Gabungan Persatuan Keturunan Cina Negeri Sembilan
 - Adviser, Hokkien Association Seri Setia (Women)
 - Adviser, Federation of Hokkien Association (Women)
 - Adviser, The Federation of Malaysian Lim Associations (Women)
 - Chairlady, JMB of Tropicana Avenue
- Puan Sri Karen does not hold any directorship in any listed entities and public companies.

Notes

She is the spouse of Tan Sri Dato' Sri Lim Hock San (Executive Chairman) and the mother of Mr Lim Kim Kiat (Executive Director). Sister-in-law of Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director), Datuk Wira Lim Hock Guan (Managing Director), Dato' Sri Lim Hock Seong (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

CHANG YEE KHIM

General Manager of Accounts and Finance

 Female

 55 years old

 Malaysian

Date of Appointment: 1 May 2006

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

After four years of service in the entertainment group, she joined LBS to assist in the listing exercise for LBS on Bursa Malaysia's Main Market which saw the Group officially listed in 2002. Following this, she was appointed to head the Corporate Finance Department where she was responsible for the Group's corporate exercises, bank borrowings and cash flows. During this time, she gained extensive exposure in accounting, finance and general management in the property development industry. She was later promoted to head the Accounts and Finance Department in May 2006 to oversee the accounting, taxation and finance functions of the Group.

Notes

She does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.



CHEN SAU HIONG

Head of Project - Klang Valley



Male



58 years old



Malaysian

Date of Appointment: 1 January 2021

CHONG SIEW PHENG

General Manager of Treasury



Female



46 years old



Malaysian

Date of Appointment: 1 January 2019

DORIS LEE CHING CHING

General Manager of Secretarial & Corporate Affairs



Female



51 years old



Malaysian

Date of Appointment: 1 May 2006

Chen Sau Hiong joined LBS in July 2011. He holds a Bachelor of Science Degree in Construction Management from Heriot Watt University in the United Kingdom and is a Corporate Member of the Chartered Institute of Building, UK.

He has more than 27 years of experience in the property development industry with a wealth of experience in the planning, development, implementation and maintenance of various projects ranging from the housing sector to commercial and multi-storey developments.

Prior to joining LBS, he worked in a public listed company for 20 years and gained extensive experience in project management and other related disciplines. Within his current role, he is responsible for the planning and implementation of the building and infrastructure of property developments under the Group, particularly projects under the administration of Majlis Perbandaran Sepang, Selangor.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Chong Siew Pheng joined LBS in 2003. She holds a Master of Business Administration (MBA) in Finance and a Bachelor of Social Science Degree majoring in Economics from the University of Malaya, Malaysia.

She has 20 years of experience in the property industry. Prior to joining LBS, she worked in a property development company in charge of Sales and Credit Administration. Her career with LBS began in May 2003 when she joined the Marketing Department. In 2009, she took up a new challenge in corporate finance and was responsible for the project financing in the Group. She was later promoted to be the Head of Treasury Department on 1 January 2012. As part of her personal and professional development, she subsequently pursued an MBA in Finance and completed the course in 2018.

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

Notes

She does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Doris Lee Ching Ching joined LBS in 2002. She is a Fellow member of the Institute of Chartered Secretaries and Administrators in the United Kingdom (FCIS). She also holds a Certificate in Professional Photography from Han Chiang Academy of Journalism and had obtained the Certificate in Investor Relations (CIR), UK in 2010.

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

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

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

Notes

She does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Key Senior Management Profiles (Cont'd)

LOH YIN HUI

General Manager of Property Management/Maintenance & Project Audit



Male



52 years old



Malaysian

Date of Appointment: 1 January 2015

MOHD NASIR ISMAIL

General Manager of Scapes Hotel



Male



53 years old



Malaysian

Date of Appointment: 7 September 2020

SALLY LAU SAU KHENG

General Manager of Sales and Marketing Communications



Female



54 years old



Malaysian

Date of Appointment: 1 January 2011

Loh Yin Hui joined LBS in July 2000. He is a qualified civil engineer by profession and graduated from the University Technology of Malaysia in Johor Bahru. He has more than 25 years of experience in project management in construction and property development, contract and project implementation, and the maintenance of landed as well as high rise buildings across Malaysia.

His past experience includes the development of commercial buildings such as Low Yat Plaza Shopping Mall and Capitol Hotel in Kuala Lumpur; as well as the construction of deep foundation works for the Galleria Shopping Mall basement in Kuala Lumpur and Gasing Heights Condominium in Petaling Jaya. His involvement in larger scale township development started with the mixed-development Taman Kota Perdana project in Seri Kembangan. He is actively involved in project implementation and property management/maintenance.

He is currently responsible for overseeing the Group's Property Management and Contract Administration. The scope of this role includes Project Audit which emphasises the aspects of quality and cost control within a project.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Mohd Nasir Ismail recently joined the Group in September 2020. A Diploma holder in Hotel Management under MAHTEC and SHATEC, he has worked with various well-known and reputable hotels such as E&O Residences Kuala Lumpur, Jazz Hotel Penang and Vivatel Kuala Lumpur in the role of General Manager.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

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

Notes

She does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.



WONG KAH YEEN

General Manager of Credit Administration



Male



52 years old



Malaysian

Date of Appointment: 1 August 2014

LEE CHEONG SAN

Assistant General Manager of Projects



Male



53 years old



Malaysian

Date of Appointment: 1 January 2013

Wong Kah Yeen joined the Group in September 1999. He is a member of the London Chamber of Commerce and Industry with a Third Level Group Diploma in Cost Accounting and Business Management from a local Institute Examination Board (Associated College of The University of Wales, the United Kingdom).

Prior to joining the Group, he served as an Operations Officer with a leading local bank. With more than seven years of working experience in the banking industry, his areas of expertise include loan review, security and loan documentation, loan disbursement and customer banking operations.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Lee Cheong San joined the Group in April 1999. He obtained his Bachelor of Science degree in Civil Engineering from Ohio State University, Columbus, USA. He also holds a Diploma in Civil Engineering from Universiti Teknologi Malaysia. He is a graduate member of the Board of Engineers Malaysia (BEM) and the Institute of Engineers Malaysia (IEM).

Mr Lee has more than 20 years of experience in property development in the planning, implementation and construction of township developments which consist of residential/commercial condominiums, office buildings and landed properties.

Prior to joining LBS, he worked in a local construction company as Project/Site Engineer for six years and handled projects for Putrajaya Parcel B, Pearl Point Condominium in Old Klang Road and Scott Villa Condominium in Brickfields.

He is currently in-charge of LBS' mixed development township in Bandar Saujana Putra (BSP), Prestige Residences service apartments in Seri Kembangan and Telok Gong industrial park in Port Klang.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Key Senior Management Profiles (Cont'd)

NICHOLAS LOO KONG CHIN

Assistant General Manager of
Projects - Cameron Highlands



Male



45 years old



Malaysian

Date of Appointment: 16 June 2014

STEWART TAN SENG TEONG

General Manager of Zhuhai
International Circuit



Male



60 years old



Malaysian

Date of Appointment: 19 November 2009

Nicholas Loo Kong Chin joined LBS in 2014. He graduated from the prestigious Heriot-Watt University in Edinburgh, the United Kingdom with a degree in Construction Management. He also holds a Second Upper Diploma in Quantity Surveying. He is a member of the Chartered Institute of Building in UK.

He has more than 20 years of experience in the property development and construction sector and hospitality projects. His portfolio includes the township developments in Taman Setapak Jaya Baru, Bandar Pinggiran Subang and Taman Kintaman Klang. His involvement in hospitality includes projects such as a hotel in Bangsar and Amari Hotel in Tanjung Tuah, Melaka.

He joined LBS in 2014 and was assigned to manage the Cameron Highlands township development. He continues to be responsible for the planning and implementation of the Group's Cameron Highlands projects.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Stewart Tan Seng Teong has been with LBS Group since 2005. Prior to joining the Group, he had more than 30 years of experience working and running his own businesses in China, both in the mainland and the Hong Kong Special Administration Region.

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

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

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

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.



WONG KOK CHING

Deputy General Manager of the Zhuhai International Circuit Ltd

Deputy General Manager of the Zhuhai International Circuit Consolidated Development Ltd.



Male



45 years old



Malaysian

Date of Appointment: 29 September 2013

Mr Wong first joined LBS as a measurement and quantity surveyor following his graduation from the University of Northumbria with a Bachelor of Science degree in Measurement. As an employee of LBS, he was involved in the Group's real estate project development and construction work in the Klang Valley district. During this time, he amassed 15 years of practical working experience in real estate development, measurement and cost management. In 2006, he was appointed as personal assistant to Tan Sri Dato' Sri Lim Hock San to help manage the projects in Zhuhai.

In September 2013, Mr Wong was appointed as the Vice President of Zhuhai Holding Investment Group Limited following LBS' accession to becoming the second largest shareholder in Zhuhai Holdings and Zhuhai Holdings' acquisition of "Lamdeal Consolidated Development Limited" and "Lamdeal Golf and Country Club Limited".

Mr Wong has also served as the Deputy General Manager of the Zhuhai International Circuit Consolidated Development Ltd since 2007.

He also sits on the Board of Directors in Zhuhai International Circuit Golf Club Co. Ltd and the Zhuhai International Circuit Co. Ltd.

Notes

He does not have any conflict of interest with the Company or any family relationship with any directors and/or major shareholders of the Company.

Additional Information for Directors & KMP

Save as disclosed, the members of the Board and Key Senior Management do not hold any directorship in any listed entity and public companies, have no family relationship with any Director and/or major shareholder of LBS, have no conflict of interest with LBS, have not been convicted of any offences within the past five years other than traffic offences and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

IN MEMORIAM – The Late Dato' Seri Lim Bock Seng

Founder and Chairman of LBS Bina Group

1930 – 2021

“
Regardless of the distance of our
travel or the heights of which we scale,
we must never forget our roots.
”

THE LATE DATO' SERI LIM BOCK SENG



The Lim
Family - the
early years.



Conferral of the
Darjah Kebesaran Seri
Sultan Salahuddin
Abdul Aziz Shah upon
Dato' Seri Lim by His
Royal Highness, the
Sultan of Selangor in
2001.



Dato' Seri Lim and his wife,
Datin Seri Liew Sok Boon, on
their 50th wedding anniversary.





Our Founder's Legacy

Right from its inception, LBS was established on the values that Dato' Seri Lim believed in – that we should not forget our roots; that we must uphold unity and recognise the importance of working together as a family.

Today, LBS continues to uphold these values as well as make a steadfast commitment to undertaking long-term, sustainable efforts that truly bring about real and positive change as well as value for people and communities.

We are saddened by the demise of LBS' Founder, the late YBhg. Dato' Seri Lim Bock Seng, who left us on 28 March 2021. An inventive and visionary leader as well as an outstanding advocate for a culture of equality at LBS, he lived the Company's core values with a true passion for our people and an exceptional commitment to our clients. These pages serve as a small tribute to the man, his energy, drive, leadership and legacy. He is sorely missed by all of the LBS Family.

In **1961**, Dato' Seri Lim Bock Seng began his business with only two lorries transporting sand and stones.

This little business grew to become one of the leading transportation businesses with more than 20 trucks within its fleet.



In **1975**, he went on to undertake some construction projects under the then LBS Sdn Bhd.



In **1978**, LBS built what is now the Embassy of the People's Republic of China in Kuala Lumpur. This venture laid the foundations for future business relationships between LBS and its partners from China.



In **1982**, together with his son, Tan Sri Lim Hock San, Dato' Seri formed LBS Bina Holdings Sdn Bhd.

After many years of successive developments and business growth – even amidst economic crises – LBS was listed on the Main Board on the then Kuala Lumpur Stock Exchange in **2002**. The years have seen LBS grown from strength to strength into the successful business it is today.



KDYMM Yang Di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah visiting Dato' Seri on the first day of Chinese New Year in 2020.

FINAL LETTER TO SHAREHOLDERS FROM THE LATE CHAIRMAN

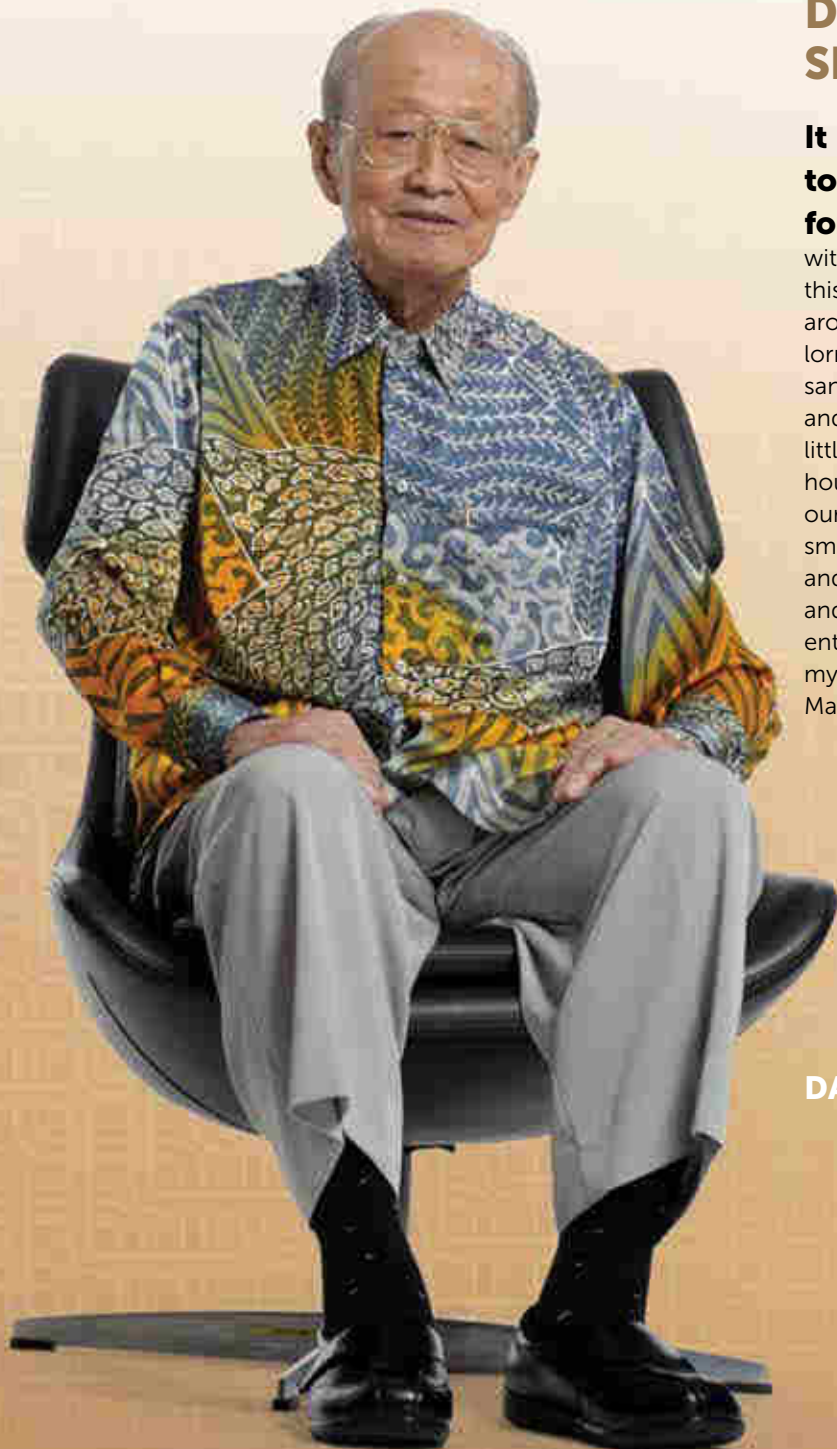
This is the final message to shareholders of LBS from the late YBhg. Dato' Seri Lim Bock Seng in his capacity as Chairman of the Board prior to his passing. We are presenting the contents of this letter in their entirety to honour the memory of our Founder who is sorely missed by all of us.

**Dear Valued
Shareholders,**

It has been my honour and a privilege to serve as LBS' Chairman of the Board for the past two decades.

My involvement with LBS actually goes back some 40 years prior to this when I began my first business that revolved around transportation activities. In 1961, with two lorries to my name, I began to supply and transport sand, aggregates, earth and ball clay for construction and infrastructure works. As the business grew, our little enterprise ventured into the construction of houses, shops and factory buildings. In fact, one of our first construction projects was within the (then) small township of Petaling Jaya. As we worked hard and capitalised on opportunities in the construction and property development sectors, our fledgling enterprise grew from strength to strength. One of my proudest moments was when we were listed on Main Market of Bursa Securities in 2002.

DATO' SERI LIM BOCK SENG





Having steered LBS for such a long time, I have seen it weather the ups and downs of the business cycle in a steadfast manner. We have faced economic recessions and industry downturns, political upheaval, as well as seasons of prosperity and good success. In all that time, we have learnt to evolve and to adapt in meeting the changing needs of the market. Our foresight during the economic crisis of 1997 saw us strategizing and building medium low-cost homes which ensured that LBS maintained its relevance in a very competitive and challenging market. In all that we have gone through, I am happy to say that the downsides and trying times cannot transcend the abundance of delightful moments and good success that we have experienced. Both the Group and I have forged good friendships and alliances over the years and I am grateful for the deep and enduring relationships that we have today.

What has held this company together through the good and tough times is our longstanding commitment to building a sustainable legacy for our business and the communities that we are helping to shape. With this aim of developing a company to be enjoyed by this generation and those to come, I set out to educate each of my children in specific and diverse areas complimentary to the business. My eldest son, Lim Hock San, joined me in 1982 followed by his siblings thereafter. Today, while LBS has its roots as a family business, it is also a unique company comprising hardworking visionaries with a broad range of skills, experiences and perspectives who are able to make balanced and well-informed decisions while upholding LBS' mission of "Believe, Become and Behold."

It is heartening to see LBS' growth and expansion into many new areas of opportunity under the leadership of Tan Sri Dato' Sri Lim Hock San and his team. LBS has not only strengthened its market hold in the property development and construction segments, having built townships that replicate the success of Bandar Saujana Putra in Selangor, but it has gone on to expand its foothold in other segments. In all that we undertake, we want to be the best at what we do and to keep on progressing to greater heights. It is this determination to succeed, an unwavering resilience, and a commitment to excellence that will see LBS continuing to grow from strength to strength.

Over the past six decades, I have faithfully contributed to the development and growth of LBS. Now the time has come to lay the responsibility for the Group in new hands and I am hereby handing over the helmsmanship of LBS over to my eldest son, the very experienced and accomplished Tan Sri Dato' Sri Lim Hock San, who will take on the role of Executive Chairman of LBS. I have full confidence that he, together with my other sons and daughter, their fellow Directors, our management team, loyal employees, subsidiaries, partners, affiliates as well as shareholders, will continue to support the strong heritage as well as present and future work of LBS.

I wish to sincerely thank LBS' Board, management team, employees, subsidiaries, partners, affiliates and shareholders for the worthy support, trust and confidence you have accorded me over the years. I take my leave of all of you knowing that I am passing on the future of LBS to a leadership team that will do great things in the coming years. Thank you everyone.

Your truly,

Dato' Seri Lim Bock Seng

INTERVIEW WITH THE EXECUTIVE CHAIRMAN



In an interview with LBS' Executive Chairman, Tan Sri Lim Hock San, we garner his perspectives on the Group's resilient performance amidst a highly challenging year, as well as governance matters and LBS' overall direction, among other things.

Tan Sri, how did the LBS Group fare in financial year 2020 ("FY2020") and what was this attributable to?

I am delighted to report that despite the many unprecedented challenges on the global and domestic fronts brought on by the COVID-19 pandemic, LBS maintained an unwavering focus and turned in a resilient performance in the year under review. We registered RM1.1 billion in total sales revenue and RM131 million in profit before tax ("PBT") in FY2020. Our earnings included a cash injection from the disposal of our equity stake in Zhuhai Holdings for RM50 million. Although this was a 16.7% and 16.1% decline respectively over the preceding year's sales and PBT, we are pleased with the results as it was attained amidst highly challenging operating conditions in a very tough year.

TAN SRI DATO' SERI LIM HOCK SAN

Executive Chairman of LBS Bina Group Berhad,
Non-Independent Executive Director
Effective 1 March 2021



Our resilient performance can be attributed to the many turnaround strategies which we applied during the time of crisis. In April 2020, with the pandemic spreading and the government's Moment Control Order ("MCO") underway, our team got down to re-evaluating the Group's strategies and sales targets with the aim of pinpointing the best way forward for us. By adjusting our strategies, reprioritising our resources, as well as capitalising on digitalisation and our position of strength, we set a new course for 2020 which included revising our sales target from RM1.6 billion to RM1 billion. I am pleased to say, that our instincts and efforts paid off handsomely – not only did we surpass our revised performance target for the year 2020 by the month of November, but we were also able to avoid retrenching any of our people.

Today, with a strong balance sheet, robust cash flow, a secure land bank and unbilled sales amounting to RM2.225 billion, LBS is well positioned to explore opportunities to strengthen and grow our business as part of our efforts to deliver sustainable, long-term value.

Please touch upon some of the key challenges that LBS faced and your response to these challenges?

On 18 March 2020, the Malaysian Government implemented the first MCO which saw most economic activities in the nation, except for essential services, come to a complete halt. This was followed by the Conditional MCO ("CMCO") in May 2020 which involved a relaxation of MCO regulations and the reopening of the economy in a controlled manner.

In line with the total lockdown under the first MCO, all activities at our construction sites and sales offices had to cease while business operations were restricted. This of course led to a weaker performance over the first half of the year. Under the CMCO phase, we were able to resume operations and bring several catch-up strategies into play that saw our performance dramatically rise in the second half of the year.

I am happy to say that LBS' focus on catering to the affordable housing sector continued to hold us in good stead and enabled us to produce positive results in FY2020. There were also several other factors that enabled us to keep our heads above water.

Over the years, the Group has been investing in a solid digital infrastructure as part of efforts to streamline our processes and improve operational efficiencies. Thanks to these enhancements, we were able to easily shift our office operations to working remotely from home when the MCO was declared. In terms of our property business, digitalising our operational process helped us to effectively close sales during the MCO period. By tapping tools such as virtual showrooms, online bookings, the WhatsApp

platform, and other channels for our sales process, we were able to continue meeting our customers' needs without compromising on anyone's safety.

The year's digitalisation efforts were directed by our Business Intelligence Department which we set up in 2019. As we step forward into the 'new normal', the Group will continue to strengthen our digital infrastructure even as we aim to be flexible and adaptable to new market realities.

We also continue to maintain a strong reserve land bank which currently stands at 3,492 acres. This asset affords LBS the operational flexibility and financial resilience that is necessary to successfully support and drive our business. Given current market uncertainties, we have made the decision to consolidate our resources and not to pursue any further land acquisitions at this point in time. Regardless of this, we are still successfully meeting market demand as we have several existing projects underway in various locations throughout Malaysia.

For more details, please refer to the Management Discussion and Analysis section in this Annual Report.

What value does LBS continue to create for its stakeholders?

In view of market and political uncertainties, the Group has adopted the stance that it is in the best interests of our shareholders and the Group's financial position that we conserve liquidity. As such, back in FY2019, the Board made the decision to replace our cash dividend with a Dividend in Specie via the distribution of Treasury Shares to shareholders in the ratio of three Treasury Shares for every 100 Ordinary Shares held. This proposal was approved at the 20th Annual General Meeting held on 27 July 2020 and the said dividend credited on 14 August 2020 to depositors registered in the Record of Depositors as of 30 July 2020.

To reward shareholders for their unwavering trust and confidence in LBS, the Board has proposed a single-tier first and final dividend of 1.45 sen per ordinary share in respect of the financial year ended 31 December 2020. This is subject to the approval of shareholders at the forthcoming 21st Annual General Meeting. Your Board deems this an appropriate payout given the highly challenging year that LBS has undergone.

In view of the unprecedented times we are facing as we move forward, the Board will continue to weigh up the best manner in which to balance out our desire to reward shareholders with the need to preserve an adequate level of cash to maintain our growth trajectory and fulfill our strategic ambitions.

Interview with The Executive Chairman (Cont'd)

What is the LBS Group doing by way of its sustainability efforts?

LBS acknowledges the importance of embedding sustainability into our operations even as we pursue long-term value creation. In line with this, we continue to proactively consider how we can balance out our economic ambitions with positive social and environmental considerations. The finer details of how we are upholding the agenda of sustainability by way of implementing good business practices, meeting our environmental obligations, and enriching communities are spelt out in the Sustainability Report within this Annual Report.

How is LBS upholding good governance and risk practices?

The Board of LBS is committed to upholding and implementing strong standards of corporate governance, as well as robust risk management and internal control measures throughout the length and breadth of our operations. These fundamental components of our business are helping us to safeguard our corporate reputation, strengthen investor confidence, as well as ensure sustainable, long-term business growth and continued shareholder value creation.

In FY2020, there were no significant developments on the governance and risk management fronts. The finer details of these activities can be found in the relevant sections within this Annual Report.

What is the Group's commitment towards nurturing its people?

Our 826 talented and competent employees are the cornerstone of our business and we remain committed to nurturing and empowering this diverse and dedicated talent pool to drive our growth. We go all out to ensure a safe and conducive work environment that supports employee development on a personal and professional level. Our diverse initiatives are aimed at helping us to shape a high-performance workforce that is aligned with the Group's vision and values. During the year in review, we carried out several training sessions for our employees the details of which are spelt out in our 2020 Sustainability Report.

We also continued to prioritise communication and engagement in a safe and secure manner that complied with COVID-19 standard operating procedures ("SOPs"). At the onset of the pandemic and MCO, the Group established a hands-on Crisis Management Team comprising our Head of Departments. This team proactively partnered with government authorities to establish and cascade down stringent SOPs as per Ministry of Health and national guidelines across the Group.

LBS is committed to ensuring that all our work environments uphold exceptional standards of health, safety, and security – all of which are integral to the productivity, culture and reputation of our business. To this end, we continue to subscribe to and abide by the OHSAS 18001 standard, which is the benchmark for health and safety systems. I am pleased to report that in FY2020, we maintained our zero-fatality and serious injury record at all our project sites.

Tan Sri, LBS has always been committed to pursuing excellence. How was this reflected in the year under review?

Here at LBS, we understand that excellence is a by-product of hard work, innovation, and dedication. We also believe that it is the all-essential factor if we are to effectively and sustainably empower individuals and enhance communities. As such, the Group is committed to delivering excellence not only across our property development operations but in a manner that positively impacts our stakeholders and the community.

For the year in review, our commitment to upholding high standards of excellence saw us garnering a host of awards and accolades that included the following:

- StarProperty Awards 2020
- All-Stars Award – Best Overall Champion – LBS Bina Group Berhad;
- StarProperty Consumers' Choice Award;
- The Creative Space Award – Residensi Bintang Bukit Jalil (Excellence);
- The Family-Friendly Space Award (High Rise) – BSP21 (Excellence);
- The Starter Home Award – KITA Bayu (Honours);
- The Neighbourhood Award (Below 500 Acres) – LBS Alam Perdana (Honours)
- The Cornerstone Award – Rentak Perdana (Merit); and
- Community CSR Award (iProperty Development Excellence Awards 2020).



We are both elated and humbled by all this recognition. Even as we move forward, our stakeholders can rest assured that we will not rest on our laurels but will continue to work hard to take the Group to new heights of success for the benefit of all.

While awards and recognition bode well for our reputation, we believe that helping those in need makes for a more meaningful legacy. In line with our founder's vision to "enrich the lives of the community", we remain people-centric in all our efforts. During the year in review, the Board made the executive Group-wide decision to focus our additional time and effort on helping people affected by the COVID-19 pandemic and related lockdowns.

Through our philanthropic arm, the LBS Foundation, we focused our efforts on supporting frontliners and those in the community who had been most affected by the Covid-19 pandemic. Our initiatives include a donation of RM1 million to the National Disaster Management Agency ("NADMA") COVID-19 Fund as well as a donation of RM50,000 to the Selangor COVID-19 Special Assistance Fund to help ease the current and post-pandemic economic challenges in Selangor. The Foundation also donated masks and goods to several quarantine centres, district offices and police stations as part of its efforts to aid communities.

What is the outlook and prospects for the Group moving forward into FY2021?

As we continue to observe the market trends going into 2021, the Group remains cautiously optimistic of our prospects. While the global outlook remains challenging, there are definite signs of economic growth here and there. Furthermore, with vaccination measures already being implemented in some nations, the world seems to be on the road to recovery. However, it is still early days and we can only wait and see how things pan out.

Notwithstanding the state of the global economy and geo-political uncertainties, your Board believes that as the LBS Group undertakes careful market analysis and implements prudent strategies for success, we will be able to replicate if not surpass the good momentum we have gained to date.

Moving forward, LBS will continue to focus on our existing products in the affordable housing sector, setting the same targets for 2021. We remain prudent in our approach to implementing projects, ensuring that we sell well in one project before embarking on another. This will ensure that we reduce the chance of an overhang within any of our offerings.

As it is, our current projects continue to be profitable even as we leverage on the elements of affordability and accessibility. One of our key points of focus in FY2021 will be our Cameron Highlands project which we are confident will sell well. The Group also has several new projects in the pipeline which include Sri Kembangan and Bukit Jalil. As with all our projects, we always monitor the market to carefully gauge when would be the best time to launch our offerings.

Quality remains another important aspect for LBS and we strive to uphold high standards throughout our operations through closely monitoring quality-related activities. The use of the IBS methodology helps us to achieve this via its offer of shorter construction periods, reduced overall costs, reduced manpower requirements and the production of higher quality components, among others. We also have specially designated teams to execute maintenance checks at our properties before they are released for sale. As part of our commitment to ensuring higher standards of customer service, we are looking to establish an online customer service presence that will make it easier for customers to provide feedback and voice their concerns.

We will also focus our efforts on generating organic growth through digital transformation. Digitalisation will accord us operational efficiencies while enabling us to ensure the health and wellbeing of our people. We will also continue to explore ways in which we can enhance the sales experience for our customers by translating the physical viewing experience onto our virtual platforms. Digitalisation will feature strongly as we turn to virtual property fairs and online sales to close deals.

As we move forward on our journey to success, we will ramp up efforts to strengthen product quality, enhance digitalisation and operational efficiencies, optimise our resources and exercise strict capital management. As a Group, we intend to remain flexible and adaptable so that we remain relevant to our stakeholders in the new normal. As we venture forth, I am confident that LBS will deliver another resilient performance in FY2021 as we take prudent, careful steps forward while at the same embracing innovative, practical measures.

Interview with The Executive Chairman (Cont'd)

Are there any specific parties whom you'd like to acknowledge?

On behalf of the Board of Directors, I would like to express my gratitude to our valued shareholders, customers, suppliers, business associates, bankers, and the relevant government authorities. Your continued support during these challenging times helped see us through and we look forward to building further upon the good momentum gained.

My deepest thanks to our Management team and all our staff for your resilience, diligence and dedication which enabled us to continue delivering meaningful returns to our stakeholders. My sincere thanks also to my colleagues on the Board for their wise counsel and insights that helped us navigate smoothly through challenging waters.

There were some movements on the Board in 2020 with Dato' Chia Lok Yuen resigning from the Board on 31 December. We thank him for his worthy contributions to the Group and wish him well in his endeavours.

Please join me in welcoming Mr. Lim Kim Kiat who was appointed an Executive Director on 1 January 2021 following his short stint as an Alternate Director to Dato' Chia Lok Yuen from June 2020. We would also like to extend a warm welcome to Dato Lim Han Boon who joined the Board on 27 August 2020. We look forward to the contributions and the fresh insights that these gentlemen bring to the table.

It is with great sadness that I announce the demise of my father and our founder, The Late Dato' Seri Lim Bock Seng, on 28 March 2021. We owe much to him for the strong values and foundations he laid down for all of us as well as the outstanding legacy he leaves behind after some 60 years at the helm of LBS. Having instilled in us values that will stand the test of time, my father can rest assured that he has raised up a team that will carry on his legacy and take LBS to new heights of success. In whichever roles we will fondly remember him by – be it Father, Founder or Friend – he will be sorely missed.

Finally, my sincere appreciation goes out to all those who are one the frontline faithfully fighting the COVID-19 onslaught. Your bravery, dedication and tireless efforts are the reason why we can continue to experience life as we do.

As we work towards our goal of creating sustainable value by navigating prudently through the operating challenges of this new year, we will continue to be vigilant in our outlook while remaining flexible in our responses. I call upon our many stakeholders to continue lending LBS their support. Thank you and stay safe everyone.

AWARDS AND ACCOLADES 2020

01

STARPROPERTY AWARDS 2020

- All-Stars Award – Best Overall Champion – LBS Bina Group Berhad
- StarProperty Consumers' Choice Award
- The Creative Space Award – Residensi Bintang Bukit Jalil (Excellence)
- The Family-Friendly Space Award (High Rise) – BSP21 (Excellence)
- The Starter Home Award – KITA Bayu (Honours)
- The Neighbourhood Award (Below 500 Acres) – LBS Alam Perdana (Honours)
- The Cornerstone Award – Rentak Perdana (Merit)



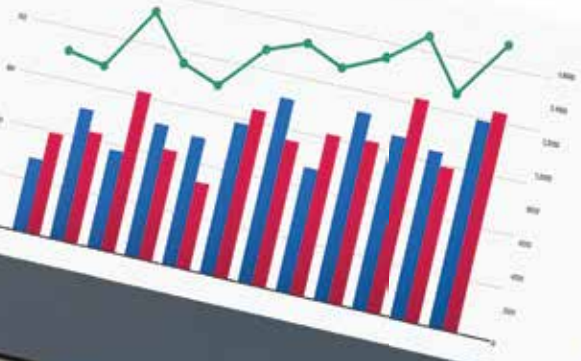
02

iProperty Development Excellence Awards (iDEA) 2020

- Community CSR Award



Global Business



Global Business

185

16

88



PURPOSEFULLY STRATEGISING, RESILIENTLY ADAPTING

Tough times don't last. Tough people do. In embracing the new normal, we have got down to adopting the right strategies to ensure the Group's sustainable growth and to help communities. By anticipating the obstacles that may come our way, we are proactively ensuring we have the solutions in hand to overcome such challenges.

We are also resiliently adapting to market changes and realigning our goals to stay on track. In 2020, as we adjusted our targets to adapt to the highly unstable operating environment, we not only met but exceeded our initial expectations by the year's end. As we venture forth, we will continue to adapt and think progressively to ensure solid business fundamentals.

GROUP FINANCIAL HIGHLIGHTS

		2016 ¹	2017 ²	2018	2019	2020
Revenue	(RM'000)	993,619	1,347,412	1,122,088	1,325,260	1,096,331
Profit before tax	(RM'000)	143,954	189,527	159,135	154,065	130,990
Profit after non-controlling interests	(RM'000)	85,301	102,687	85,560	67,511	51,322
Share capital	(RM'000)	641,424*	901,193	922,232	922,473	922,887
Equity attributable to owners of the parent	(RM'000)	1,165,819	1,282,514	1,349,454	1,348,655	1,377,094
Basic earnings per share	(sen)	6.58**	6.99	5.53	3.93	2.65
Gross dividend per share						
- ordinary share	(sen)	10.00	8.20	1.80	-#	1.45##
- redeemable convertible preference share ("RCPS")	(sen)	-	-	6.60	6.60	6.60
Net assets per share	(sen)	181.77 [@]	186.70 [@]	86.57	87.25	88.18

Remarks

- The comparatives have not been restated following the first-time adoption of the MFRS framework, adoption of MFRS 9 - Financial Instruments and MFRS 15 - Revenue from Contracts with Customers.
 - Restated following the adoption of the MFRS framework, MFRS 9 and MFRS 15.
- * Does not include effects from adoption of Companies Act 2016 - transition to no par value.
- ** The comparative figures for basic earnings per share have been restated to reflect the adjustments arising from the share subdivision and bonus issue.
- # Share dividend distribution on the basis of 3 treasury shares for every 100 existing ordinary shares held, fractions of treasury shares will be disregarded.
- ## Single-Tier First and Final Dividend to be approved by the shareholders at the forthcoming 21st Annual General Meeting.
- @ The comparative figures have not been restated to reflect the adjustments arising from the share subdivision and bonus issue.

FINANCIAL CALENDAR

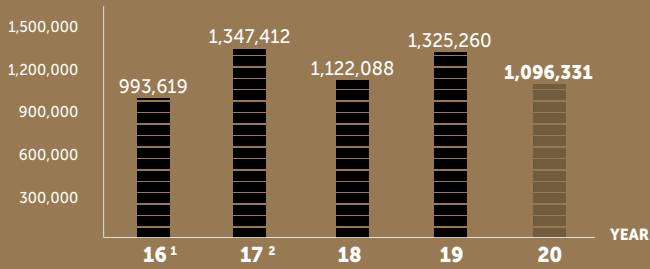
Financial Year Ended 31 December 2020

Announcement of Quarterly Results:

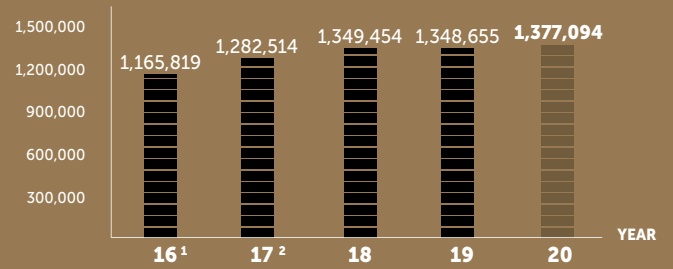
First Quarter ended 31 March 2020	30 June 2020
Second Quarter ended 30 June 2020	27 August 2020
Third Quarter ended 30 September 2020	30 November 2020
Fourth Quarter ended 31 December 2020	25 February 2021



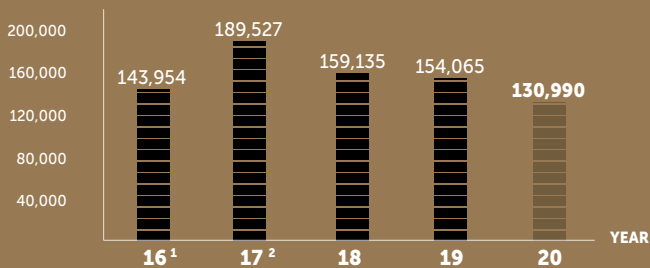
REVENUE (RM'000)



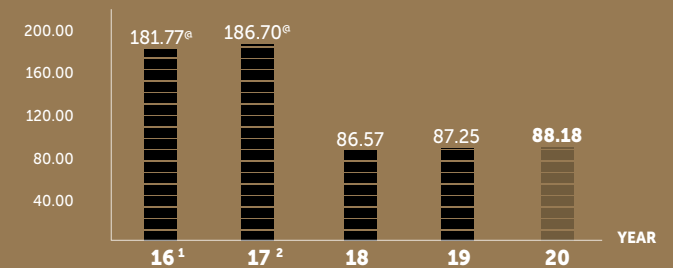
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'000)



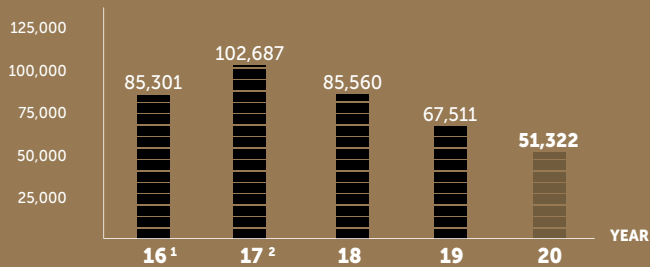
PROFIT BEFORE TAX (RM'000)



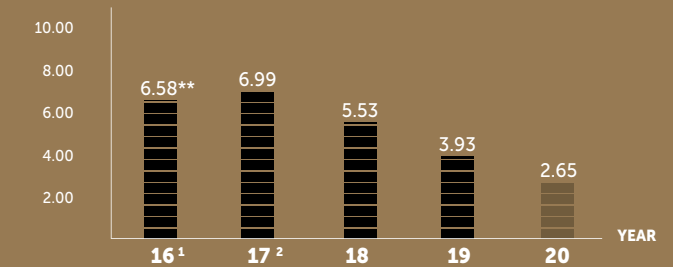
NET ASSETS PER SHARE (SEN)



PROFIT AFTER NON-CONTROLLING INTERESTS (RM'000)



BASIC EARNINGS PER SHARE (SEN)



MANAGEMENT DISCUSSION AND ANALYSIS

LBS continued to deliver a resilient performance for the financial year ended 31 December 2020 ("FY2020") despite a volatile operating environment characterised by the ongoing COVID-19 pandemic and related lockdowns, among other challenges. This Management Discussion and Analysis ("MD&A") aims to provide an overview of the Group's business, strategic direction as well as financial and operational performance for the year under review. It also serves to highlight the measures put in place to ensure the sustainable growth of LBS' businesses and the endeavours to deliver long-term value to its many stakeholders.

OUR BUSINESS AND STRATEGIC OBJECTIVES

LBS is an investment holding company that through its subsidiaries is involved in property development and investment activities primarily in Malaysia and the People's Republic of China. Even as LBS continues to grow from strength to strength as a reputable Property Developer, the Group has also ventured into several other business segments such as Construction and Trading; Management and Investment; as well as the Motor Racing Circuit segment, among others.

(For more information on LBS, refer to the "About LBS" section at the start of this Annual Report).

Our strategic objectives align with our overall goal of generating intentional and sustainable growth. Comprising both financial and non-financial objectives, these strategic imperatives also serve as benchmarks by which we can effectively gauge the Group's progress over the short and long-term.

OUR FINANCIAL OBJECTIVES

For the year 2020, as per the previous year, LBS' initial financial objectives revolved around securing growth in profits and asset value. To meet the first objective, we set our sights on increasing our project portfolio through the launch of a greater quantum of projects and by securing higher margins. To grow our asset value, we set out to increase the value of our portfolio through expediting the relevant action plans and leveraging on market demand.

However, given the unexpected disruption by the COVID-19 pandemic and the related lockdowns, we had to review and reset our strategies to accommodate the new playing field. These strategic-related activities included the revision and adjustment of our sales target to a more feasible target following the evaluation of market sentiment then as well as digitalising our internal structure to cut down costs and increase efficiencies. The Group also continued to cater to market demand with the launch of more affordable homes.

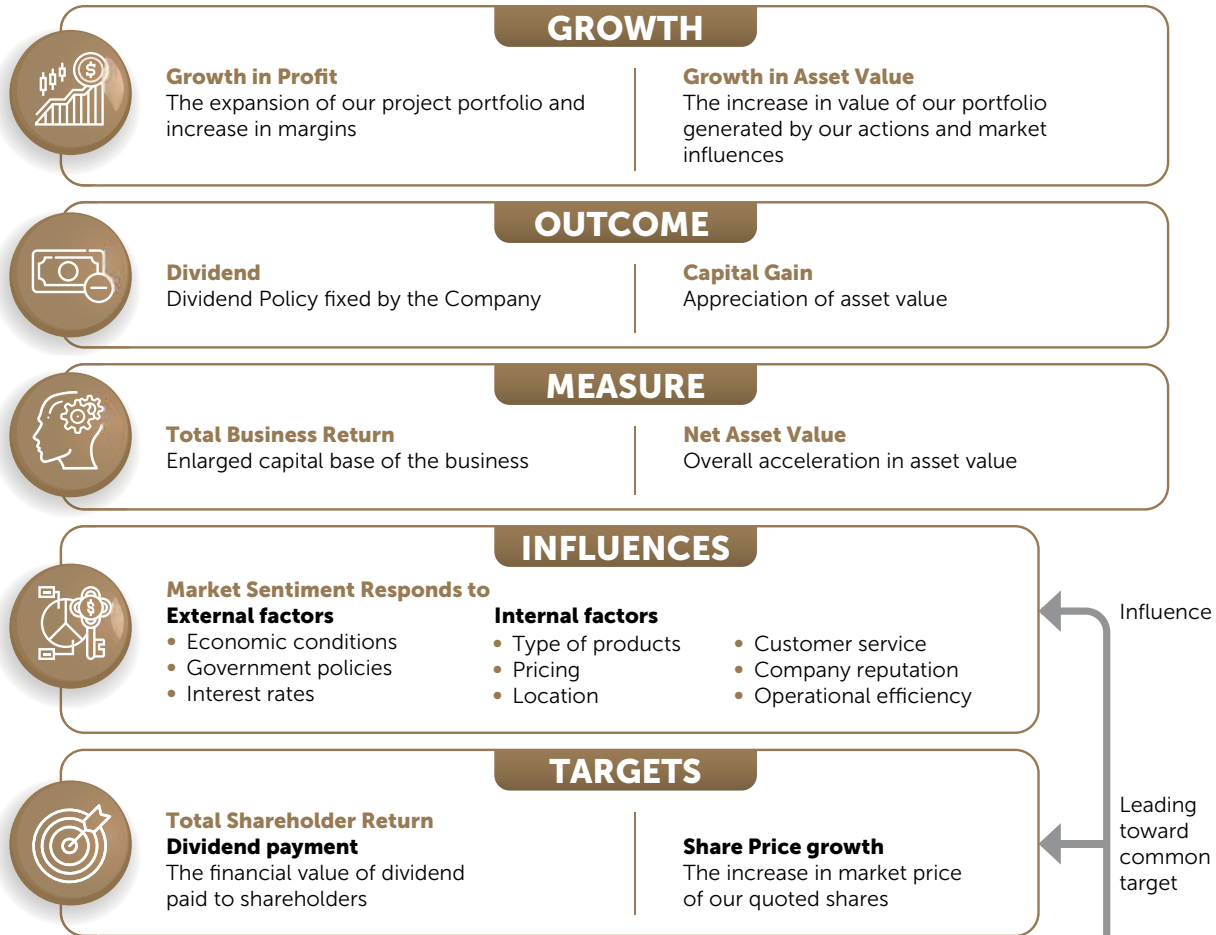
OUR NON-FINANCIAL OBJECTIVES

The Group's non-financial objectives are anchored on our brand promise "Empowering Individuals, Enhancing Communities". Our efforts towards this aim are rolled out under the following four thrusts:

CUSTOMERS	Empowering Malaysians through making it easier for them to own their dream homes at affordable prices;
ENVIRONMENT	To improve our business environment for sustainable long-term value creation;
COMMUNITY	To enhance our spaces and facilities while creating a better environment and fostering community ties; and
EMPLOYEES	To empower individuals through opportunities for training and growth.

We present a summary of our financial and non-financial objectives and their impact below:

Financial Objectives



Non-Financial Objectives



As we continue to advance forward and reinforce our role as a key industry player, we will look to these objectives to guide our operations and safeguard our growth-trajectory especially amidst these challenging times. With our operational boundaries set and our goals outlined, we remain committed to running our business in a manner that will strengthen our performance and our brand reputation whilst ensuring the Group’s long-term sustainability.

Management Discussion And Analysis (Cont'd)

2020'S OPERATING ENVIRONMENT

The onset of the COVID-19 pandemic in 2020 marked the beginning of a global economic disruption. With international borders closed, global supply chains derailed and domestic markets reset, the world entered its deepest recession since the Great Depression.

On the domestic front, Malaysia's GDP contracted by 5.6%, registering its lowest decline since the market crash in 1998. While the financial year started moderately, the escalating pandemic in mid-March hampered economic growth. The stringent containment measures to curb the spread of the pandemic also exposed weaknesses in the nation's exports, production and domestic demand. The adverse impact of the crisis was felt most in the second quarter of 2020 when GDP contracted by 17.1%.





As predicted, the gradual recommencement of economic and social activities in the second half of the year heralded a slow recovery for the economy. To support growth recovery, the government implemented sizeable and timely stimulus measures. The global shift towards digitalisation during national lockdowns saw many related industries experience a quicker recovery. However, continued risk aversion and restrictions saw many COVID-19 vulnerable sectors such as tourism-related industries experience slower recoveries. The divergence in recovery rates has resulted in uneven growth recovery across the economic spectrum.

As the year progressed, the nation's growth recovery continued to be determined by the course of the pandemic. The resurgence in cases in the fourth quarter of 2020 saw a reinforcement of containment measures which led to another economic slowdown. To mitigate the adverse economic impact of these measures, the government applied a more targeted approach through state-specific containment and less stringent supply restrictions. Through the government's effective management of public health concerns and market outcomes, the economy continued to progress in spite of the ongoing pandemic.

FY2020 FINANCIAL HIGHLIGHTS

For the financial year ended 31 December 2020 or FY2020, the Group recorded revenue of RM1.1 billion and a profit before tax ("PBT") of approximately RM131 million as compared to revenue of RM1.3 billion and PBT of RM154 million in the financial year ended 31 December 2019 ("FY2019"). The Property Development segment continued to serve as the Group's primary revenue and PBT contributor. The year's softer performance can be attributed to the operational standstill in the second quarter of 2020 that was imposed under the first Movement Control Order ("MCO 1.0") implemented by the government.

The summary of contributions from each operating business segment over FY2020 is set out as follows:

	Revenue*	Profit/Loss before Tax ("PBT / LBT")
 PROPERTY DEVELOPMENT	RM1 billion	PBT of RM132 million
 CONSTRUCTION AND TRADING	RM498 million	PBT of RM11 million
 MOTOR RACING CIRCUIT	RM23 million	PBT of RM4 million
 MANAGEMENT, INVESTMENT AND OTHERS	RM201 million	LBT of RM15 million

For a more detailed insight of each business segment's financial performance please refer to the respective 'Performance Highlights' sections in the Segmental Review.

*Before elimination



FINANCIAL POSITION

We continue to leverage on our strategic objectives as we focus on maintaining a strong financial position that is reflected in our healthy balance sheet. These objectives include investing in land banking opportunities, among other things, even as we aim to create long-term value for our stakeholders.

Total Assets

As of December 31, 2020, the Group's total assets decreased by 2% to RM4.2 billion from the previous year's RM4.3 billion in total assets. The decrease can be largely attributed to the following factors:

- **Trade Receivables**
The Group's trade receivables decreased by 50% to RM206 million (2019: RM413 million). The decrease was primarily due to improved collection from property purchasers and the construction sector.
- **Other Investments**
The Group's other investments decreased by 99% to RM0.6 million (2019: RM60 million). The decrease came as a result of the Group's disposal of 79 million shares which were listed on the Main Board of The Stock Exchange of Hong Kong Limited.
- **Contract Assets**
The Group's contract assets increased by 41% to RM546 million (2019: RM388 million). The increase was mainly due to additional construction costs incurred but pending the progress of the billing schedules pursuant to the Housing Development Act.
- **Capital Work In Progress ("CWIP")**
The Group's CWIP increased by 45% to RM123 million (2019: RM85 million). The increase was largely attributed to the additional costs incurred by the Group's Scapes Hotel and Centrum Hotel projects.

Total Equity

Total equity increased by 12% to RM1.63 billion (2019: RM1.46 billion) in FY2020. The increase was mainly due to the Group's issuance of Perpetual Sukuk of RM130 million and net profit achieved in FY2020.

Total Liabilities

The Group's total liabilities decreased by 9% to RM2.59 billion (2019: RM2.83 billion). The decrease was mainly attributable to the reduction in bank borrowings, lease liabilities, bank overdrafts, Sukuk and redemption of redeemable convertible preference shares ("loans and borrowings").

Please refer to the "Capital Structure and Capital Resources" section below.

Capital Structure and Capital Resources

Recognising that the efficient management of our resources has a direct impact on the Group's operational capacity, we continue to focus our efforts on safeguarding and strengthening our capital structure to maximise value for our shareholders.

In FY2020, the Group's loans and borrowings decreased by 11% to RM1.11 billion (FY2019: RM1.25 billion). Gross gearing was reduced to 0.68 times (FY2019: 0.86 times) mainly due to the reduction in loans and borrowings.

DIVIDENDS

Here at LBS, we have adopted a Dividend Policy whereby distribution is based on a pay-out rate of at least 30% of the Company's profits after taxation from its ordinary business operations for each financial year. In recommending dividend payments, the Board endeavours to maintain a consistent and regular dividend payment policy that promotes a stable stream of returns to shareholders whilst at the same taking into consideration the capital resources required to support the organic business growth of the Group, provided that the distribution is not detrimental to the Company's cash requirement or any plans approved by the Board.

Management Discussion And Analysis (Cont'd)

LBS proposed a single-tier first and final dividend of 1.45 sen per ordinary share in respect of the financial year ended 31 December 2020 which is subject to the approval of the shareholders at the forthcoming 21st Annual General Meeting.

SEGMENTAL REVIEW

PROPERTY DEVELOPMENT

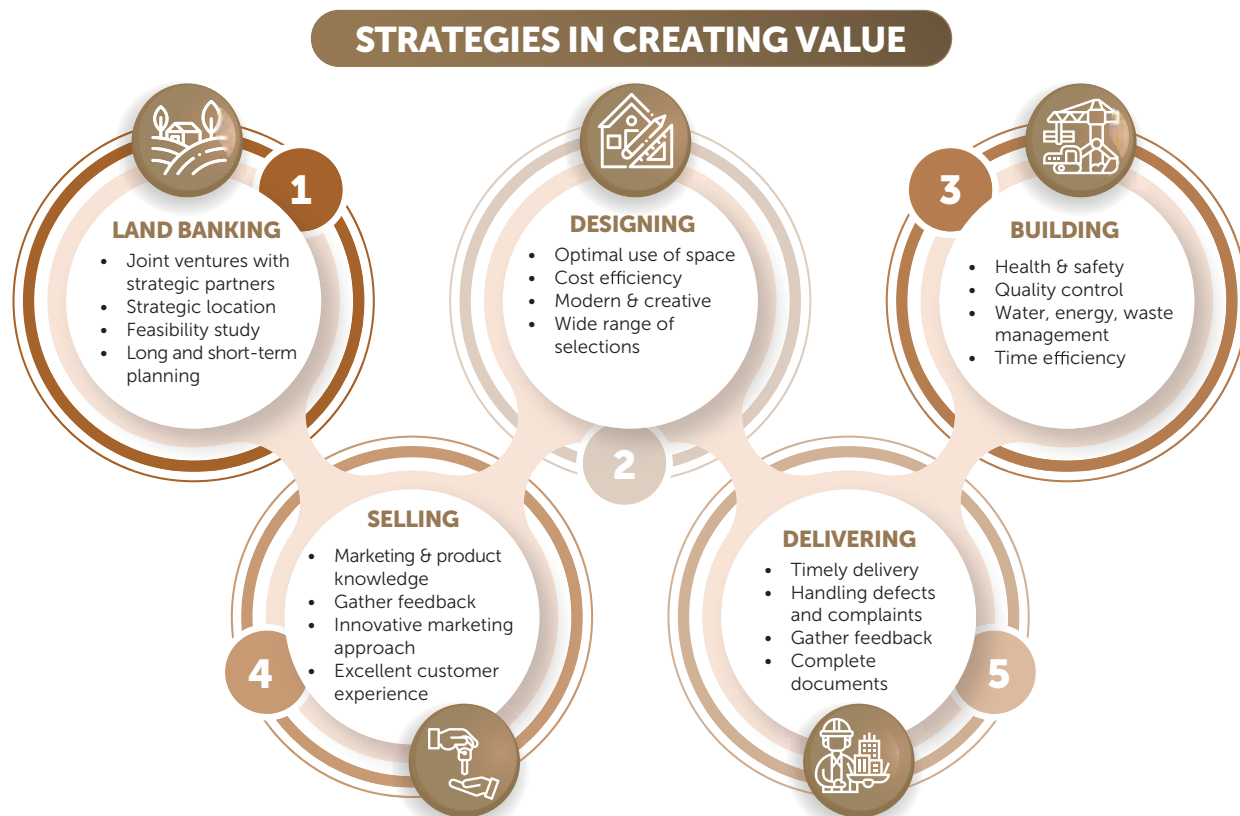
Overview of the Business

As a prominent township builder, LBS is committed to building homes that meet the needs of Malaysians. With our constant drive to improve ourselves through the use of new construction technologies and architectural best-practices, the Group strives to ensure that we consistently deliver homes that reflect our brand promise to "Inspire Individuals, Enrich Communities."

To date, our Property Division continues to create innovative spaces that integrate contemporary living standards with traditional aspects of home and family. Not limited to the development of houses, our extensive product range includes single to triple-storey terraced houses, high-rise developments, and commercial units.

Our property development efforts are led by a highly-qualified team of employees that boast experience and skills in a variety of operational fields. Comprising a workforce well-versed in land acquisition, planning, design, surveying, engineering, purchasing, construction, sales and marketing, public relations and communication, as well as customer service, our team ensures that all aspects of property development are catered holistically within the scope of our operations.

The Division's activities are founded on our business model which comprises the strategic facets of our operations, namely our Land Banking, Designing, Building, Selling, and Delivering activities.

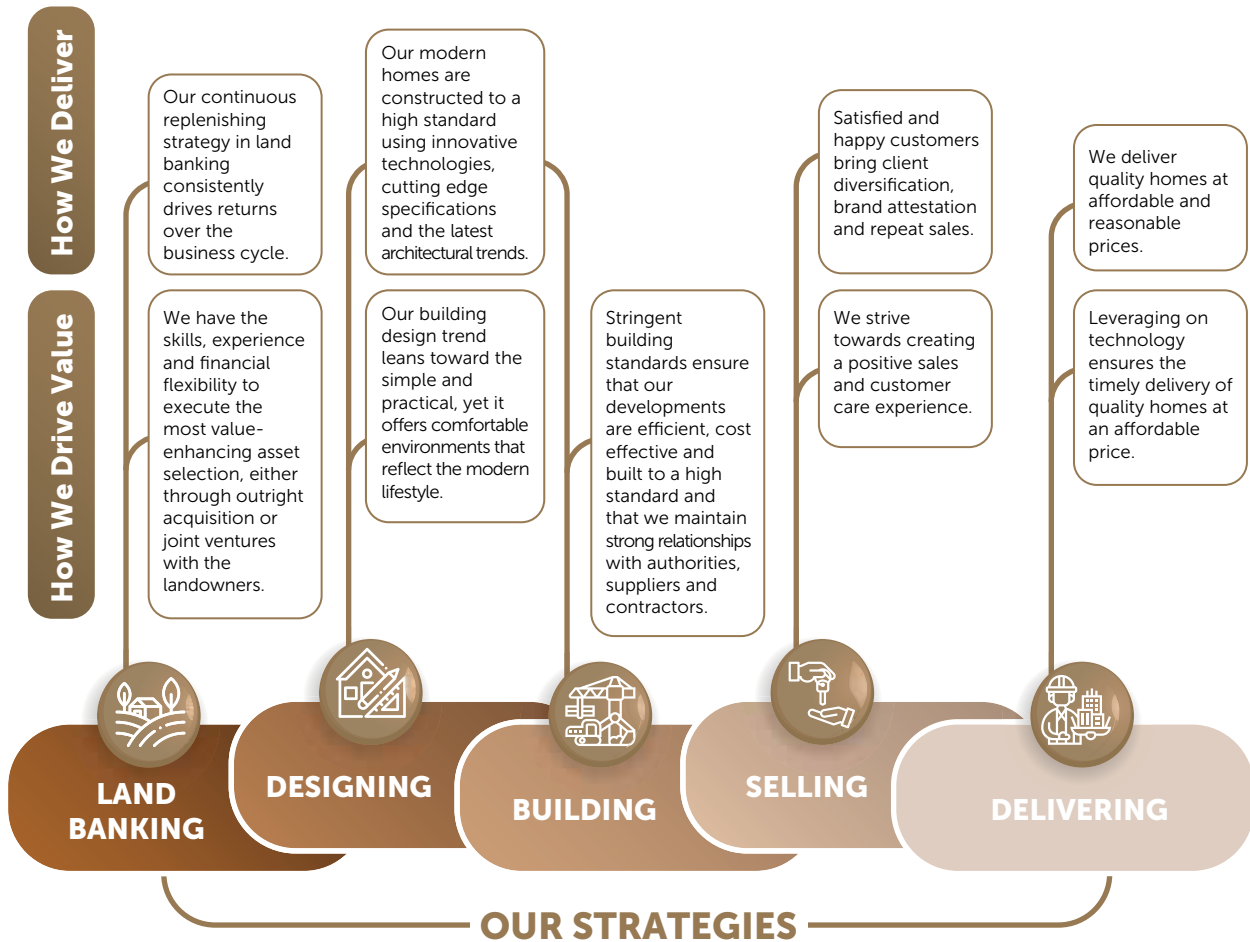


The use of this business model ensures that the Division remains focused in its pursuit of creating developments that benefit both the community and our stakeholders in the long-run.

Our Inputs


RELATIONSHIPS	OPERATIONAL EXPERTISE	OUR WAR CHEST
<ul style="list-style-type: none"> • Our customers and joint venture partners 	<ul style="list-style-type: none"> • Our expert workforce 	<ul style="list-style-type: none"> • Joint ventures with landowners mitigate the risk, increase expertise, ease project financing • Diverse and flexible finances from a range of sources
<ul style="list-style-type: none"> • The communities who live and work in and around our properties 	<ul style="list-style-type: none"> • Our culture of collaboration enhances effective working across teams 	
<ul style="list-style-type: none"> • Our supplier and contractors 	<ul style="list-style-type: none"> • Via our digital transformation, we have access to data and analysis tools that provide insights into stakeholders' needs 	

Our value creation business model is strengthened by our strategies which have been developed to enable us to create sustainable value across the development cycle.



Management Discussion And Analysis (Cont'd)

Our strategies are implemented through the focused initiatives that we continue to roll out in each relevant aspect of our business. These initiatives help us to ensure that our goals are being met via efficient and ethical processes.

STRATEGIES	EFFECT AND ADVANTAGES	2020 ACTIVITIES
LAND BANKING 		
<ul style="list-style-type: none"> Land or project acquisition opportunities are identified by our Management using their knowledge and contacts. A feasibility assessment is prepared by the Project Department, which is reviewed by Top Management before submitting it to the Board, where the final decision is made. Land acquisitions or joint venture projects are considered against a series of criteria, such as gross margins, forecast sales rates, location and planning prognosis. 	<ul style="list-style-type: none"> Possessing land in strategic locations helps to augment our land bank and complements our strategy of growth. Developments via joint venture are expected to lower our upfront costs and give greater flexibility in timing for launches and determining the types of properties. 	<ul style="list-style-type: none"> We have been stringent in our land banking replenishment initiatives to ensure the sustainability of the business and to provide a cushion for any unexpected future cost escalation; this also enables us to reserve our war chest for future critical business situations. The total recorded land bank for future development was approximately 3,610 acres as of 30.04.2021 with estimated Gross Development Value (GDV) of RM33.0 billion, which would enable the Group to have sufficient capacity for future growth.

 DESIGNING		
<ul style="list-style-type: none"> To design an appropriate range of products at reasonable prices to cater to different income groups. Focus on simplicity and practicality in design process in terms of space and materials used. Undertake research to ensure we know our customers and their preferences. 	<ul style="list-style-type: none"> Good product quality increases customer satisfaction and ultimately enhances the LBS Brand, which improves our ability to sell the properties we develop. 	<ul style="list-style-type: none"> We constantly reviewed our design layouts to ensure that we achieved savings in design and construction costs. We continued to design our products to be attractive to a wider and ever-expanding range of customers. We continued to actively monitor and position our brand and offering to appeal to a broad range of customers.

STRATEGIES	EFFECT AND ADVANTAGES	2020 ACTIVITIES
BUILDING 		
<ul style="list-style-type: none"> We strive to maintain long-term working relationships with reputable sub-contractors to reduce health and safety risks and ensure the quality of our product. We seek to make sure that we have suitable building materials available at competitive prices to enable us to construct properties to the required standards expected of us by our customers, within budget and on time. 	<ul style="list-style-type: none"> Having suitable materials at competitive prices enables us to meet our growth aspirations, helps support our margins and gives better control over costs. It is important to have high standards of health and safety on our sites to create the appropriate working environment to deliver good quality products. 	<ul style="list-style-type: none"> Major building materials in the construction process, such as bricks, steels, cements and lintels were subjected to our bulk purchasing arrangements, ensuring consistently high quality at competitive prices. Our properties were regularly inspected during the construction process both by in-house management and consultants to ensure that building standards were achieved. We invested in Industrialised Building Systems (IBS) on the pre-fabrication and pre-cast construction fronts. The use of IBS has effectively reduced construction workforce and construction time.
 SELLING		
<ul style="list-style-type: none"> We aspire to sell properties that are desirable and affordable for our customers. The satisfaction of our purchasers is important to us as this can ultimately determine the success of our business. We aim to deliver a positive experience to our customers, from sales until the delivery of vacant possession. 	<ul style="list-style-type: none"> Good customer care and services help to perpetuate a positive reputation for the Group and assists in generating further sales through individual recommendation. 	<ul style="list-style-type: none"> We continued to implement innovative approaches and to enhance our processes to further improve our sales and customer care performance. These initiatives include training and educating our staff, particularly those in the front lines facing the customers as well as the digitalisation of some of our sales processes. Our regular customer survey and feedback activities enabled us to measure our services and focus our efforts.
DELIVERING 		
<ul style="list-style-type: none"> We strive to deliver the property on schedule. 	<ul style="list-style-type: none"> Timely delivery of completed units to purchasers will smoothen the cash flow position and avoid Liquidated Ascertained Damages (LAD) and a negative corporate image. 	<ul style="list-style-type: none"> The temporary closure of construction sites in FY2020 resulted in all-round delays in our construction schedules. Despite this, our teams continued to deliver completed units during the year.

Management Discussion And Analysis (Cont'd)

Market and Industry Overview

Due to the difficult operating environment, the property development sector recorded new lows in its sales performance and transactions in the first half of 2020. With salary cuts and unemployment rates reaching global all-time highs, market sentiment became cautious and veered to the more conservative end of the spectrum. Potential buyers stopped purchasing properties despite the reintroduction of the Home Ownership Campaign ("HOC") 2020, that came wrapped with attractive home loan rates. Consequently, the sluggish market led to a spike in overhang properties. According to the National Property Information Centre ("NAPIC"), the number of overhang properties rose by 10.6% from 56,998 units in 2019 to 63,063 units in 2020. The total value of these unsold properties rose accordingly by 13.2% from 41.5 billion to RM47.0 billion.

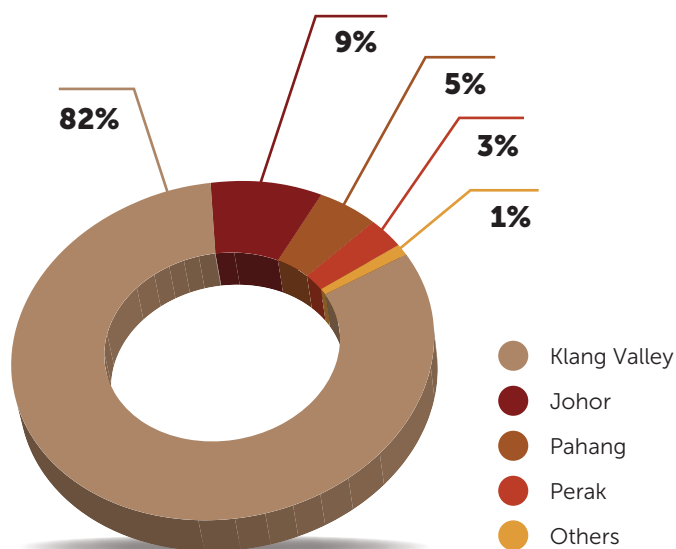
In its bid to stimulate the slow property market, the government extended the HOC 2020 and added other incentives that include a six-month repayment moratorium to keep default rates in check. The National Economic Recovery Plan ("PENJANA"), worth RM35.0 billion, also comprised stimulus initiatives aimed at addressing the overbuilt property sector. As economic activities slowly resumed, the sector began to see an uptrend in sales from the third quarter of 2020 onwards.

Performance Highlights

In FY2020, the Property Development segment recorded revenue and PBT of RM1.0 billion and RM132 million respectively as compared to revenue of RM1.2 billion and PBT of RM176 million in FY2019. The decrease in both revenue and PBT were mainly due to the suspension of construction activities, weaker sales and limited business operations during 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 remained the largest revenue contributors, accounting for more than 75% of the Group's revenue for the year in review.

Summary of 2020 sales by region:



Operational Highlights

During the year under review, LBS recorded sales of RM1.2 billion worth of properties. While this marks a 25% decrease in sales as compared to RM1.6 billion in FY2019, this result stands strong against a volatile economic backdrop and a complete halt to sales and operations for two months.

Properties priced below RM500,000 made up 82% (2019: 63%) of our total sales for the year 2020, representing an increase of approximately 50.3% as compared to 31.7% in 2019. LBS will continue to focus the bulk of its property development efforts in the affordable housing segment as the combination of reasonably priced homes in strategic locations have proven to be successful for the growth of the Group.

In FY2020, the Division launched a total of 14 new projects comprising 3,168 units of various properties with total GDV of RM1.49 billion across five locations.



The two most significant contributors towards this result continue to be our key township projects, KITA @ Cybersouth and the LBS Alam Perdana township. Additionally, our other ongoing land developments, namely Emerald Garden 3 and Laman Bayu in Bandar Putera Indah township, Johor and Taman Kinding Flora in Chemor, Ipoh continue to sell well.

As of 31 December 2020, the Group had a total of 19 on-going projects with total GDV of RM4.95 billion following the delivery of vacant possession of 2,501 units of properties worth RM948 million to purchasers.

For more information about our projects, please refer to our 2020 Portfolio.

Prospects and Strategies

Following the initial MCO, the reintroduction of the Home Ownership Campaign ("HOC") in June 2020, coupled with several stimulus packages, the sluggish residential market slowly gained some traction.

According to a report¹ by Knight Frank Consultancy, the anticipated commercial rollout of the COVID-19 vaccine by the first half of 2021 will certainly boost hopes for the country's economic recovery and lift overall consumer sentiment. However, ongoing political uncertainties amid the worsening virus crisis may lead to a slower pick-up in the property sector as both buyers and developers rethink their future-plans and strategies.

In a bid to propel the property market forward, the Malaysian government tabled the following initiatives² under Budget 2021:

(1) <https://www.starproperty.my/news/malaysia-property-market-and-emerging-trends-amid-pandemic/120177>

Management Discussion And Analysis (Cont'd)

- **Full stamp duty exemption for first-time home buyers until 2025**
The Malaysian government announced that stamp duty exemptions on memorandum of transfer documents (MOT) and loan agreements will be provided for first-time home buyers who purchase a residential property within the RM500,000 price bracket between 1 January 2021 and 31 December 2025.
- **Stamp duty exemption for buyers of abandoned housing projects extended**
To aid the movement of half-completed properties in the market, the government has further extended the stamp duty exemption on loan agreements and transfer instruments for rescue contractors (new developers who take on the abandoned projects) and original buyers of abandoned houses for a period of five years between January 2021 and December 2021.
- **More homes for the lower-income group**
Looking to increase homeownership among the low-income group (B40) in Malaysia, the government has allocated RM2.3 billion under Budget 2021 towards the development of low-income housing.
- **Youth Housing Scheme by BSN**
The government has extended the duration of the scheme to run from 1 January 2020 until 31 December 2021.
- **Rent-to-Own (RTO) financing scheme**
First-time homebuyers for housing projects under RM500,000 are now eligible to rent a property for up to five years, after which, following the completion of their first year of tenancy, the tenant will have the option to purchase the house based on the price fixed at the time the tenancy agreement is signed.

In conjunction with the government's sales incentives, the Division has launched our 'Oxpicious8' campaign which aims to offer further value to homebuyers. The campaign features the following incentives:

- LBS Fabulous 20-21 Lucky Draw
- Zero exit fee
- Home furnishing package
- Flexi-payment scheme
- HOC goodies
- Free legal fees
- Low booking fees
- Loyalty rewards

Leveraging on the low interest rate environment and pent-up demand, LBS is looking to continue to expand its influence in the affordable housing market with our offer of attractive homes and townships in strategic locations that boast both convenience and connectivity.

In 2021, LBS is set to launch 16 new launches across the Klang Valley, Johor, Pahang and Perak. Comprising 5,967 units, the new projects have a total GDV of RM2.65 billion. A summary of the breakdown of GDV contributions by state and individual projects can be seen in the following tables:

- Klang Valley GDV RM1.96 billion, comprises 74% of our 2021 launches;
- Johor GDV RM147 million, comprises 6% of our 2021 launches;
- Pahang GDV RM481 million, comprises 18% of our 2021 launches; and
- Perak GDV RM67 million, comprises 2% of 2021 launches

(2) <https://www.iproperty.com.my/guides/budget-2021-housing-market-incentive/>



2021 Project Launches

STATE	PROJECT	NO. OF UNITS	GDV (RM)
Klang Valley	KITA @ Cybersouth		
	• KITA Mekar - 2 Storey Terrace House	388	224 mil
	• KITA Sejati Apartment	1,054	347 mil
	• KITA Mesra - Single Storey Terrace House, 2 Storey Terrace House & 2 Storey Town House	646	297 mil
	LBS Alam Perdana		
	• Ritma Perdana - Phase 4B & 4C	603	338 mil
	• Melodi Perdana - Block C	321	120 mil
	Mercu Jalil	750	372 mil
Prestige Residence - Block A	725	260 mil	
Johor	Bandar Putera Indah		
	• Magma Garden 2	185	29 mil
	• Emerald Garden 3	205	76 mil
	• Laman Bayu 3	118	42 mil
Pahang	Cameron Centrum		
	• Precint 4	60	60 mil
	Genting Highlands		
	• Bayu Hills	642	421 mil
Perak	Taman Kinding Flora, Chemor	270	67 mil
	TOTAL ESTIMATED GDV	5,967	RM2.65 BIL

Moving forward, LBS will continue to leverage on the government's initiatives even as they line up with the Group's brand promise and our current strategic pursuits.

CONSTRUCTION

Overview of the Business

The construction arm of the Group is helmed by our subsidiary company, MGB Berhad ("MGB" or "the Division"). Listed on the Main Market of Bursa Malaysia, MGB is a recognised industry player with more than 13 years of experience in the general construction sector with residential, commercial, industrial buildings and infrastructure works in its portfolio.

Since the early 2010s, MGB has expanded its area of expertise to include a variety of synergistic businesses that elevate the Division's capabilities as a fully integrated development company and facilitates MGB's holistic approach to construction. These offerings include design-and-build services which were developed to meet the growing demand for comprehensive and integrated planning and design processes. The Division also offers foundation and geotechnical engineering services as well as project management, civil engineering, value engineering, and the manufacture of Industrialised Building System ("IBS") precast concrete products.

Management Discussion And Analysis (Cont'd)

As part of the Division's move towards more effective processes, MGB continues to expand its operations related to the manufacture of IBS precast concrete products. IBS products increase overall efficiency and timelines in projects and remain an integral component of the Division's construction processes. In March 2019, MGB launched its new permanent IBS plant in Nilai, Negeri Sembilan. This new permanent plant is an addition to the Division's mobile plant in Alam Perdana, Selangor. Combined, both facilities have the capacity to produce approximately 4,000 units of properties a year. The new plant is part of MGB's aim to expand its scope of offerings to cater to government and external housing development projects in addition to the Division's internal projects. To date, MGB has successfully completed 3,962 units of properties. This number is only set to grow with both plants operating at full capacity.

MGB's commitment to excellence is reflected in its strict adherence to regulatory standards of quality. The Division has ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) certification. The Division has also been awarded the Class Grade 7 licence by the Malaysian Construction Industry Development Board (CIDB) which allows the company to tender for all types of construction work of any contract value in Malaysia.

Market and Industry Overview

The disruption of activities during MCO 1.0. resulted in considerable delays in the progress and timelines of all large transportation projects and activities, particularly in the affordable housing segment. These events instigated the value of construction work to decline to RM117.9 billion from RM146.4 billion in the preceding year. Similarly, growth in the construction sector contracted by 19.5%. The overall decline of the industry can be attributed to the reduction of work output due to containment measures, site shutdowns, supply chain disruptions, and labour shortages that were induced by the closure of international borders. Furthermore, the gradual resumption of construction activities provided marginal relief as developers continued to be challenged by setbacks in their finances, compliance and supply-chain.

As the industry begin to understand and establish effective Standard Operating Procedures ("SOPs") in regard to the pandemic, businesses began to see an improvement in performance in the second half of 2020. The government's rollout of stimulus packages also encouraged growth, particularly among smaller scale developments and in the special trades subsector. The introduction of new housing projects served to boost the residential subsector while the non-residential subsector saw an acceleration in the progress of projects due for completion. Likewise, the civil engineering subsector was supported by the continued progress of large infrastructure projects.

Performance Highlights

During FY2020, the Construction and Trading segment recorded revenue and PBT of RM498 million and RM10.85million respectively as compared to revenue of RM656 million and PBT of RM15.55 million in FY2019. With contributions coming primarily from in-house projects, the decrease in both revenue and PBT were mainly due to the suspension of construction activities during MCO 1.0.

Operational Highlights

While the first two months of MCO 1.0 saw all construction activities suspended, MGB continued to deliver on its commitments. FY2020 saw the Division successfully complete four construction projects with a total contract value of RM400.77 million

Irama Perdana @ LBS Alam Perdana - double-storey terrace houses

673 units

Simfoni Perdana @ LBS Alam Perdana - townhouses

980 units

Zenopy Residences - serviced apartments

398 units

SCAPES Hotel @ Midhills, Genting Highlands

186 units



In 2019, MGB launched its new IBS permanent plant in Nilai, Negeri Sembilan with a production capacity of 2,000 units of properties per year. With the mobile plant operating in Alam Perdana since May 2018, the Division's output capacity for IBS pre-cast products has doubled to 4,000 units per year. Since its venture into IBS, the Division has successfully completed 3,962 units using the IBS system:

PROJECT	UNITS
Irama Perdana @ LBS Alam Perdana – double-storey terrace houses	673
Rentak Perdana @ LBS Alam Perdana – double-storey terrace houses	856
KITA Bayu, KITA @ Cybersouth – townhouses	416
KITA Bayu, KITA @ Cybersouth – double-storey terrace houses	379
KITA Harmoni, KITA @ Cybersouth – double-storey terrace houses	674
KITA Impian, KITA @ Cybersouth – serviced apartments	964

In FY2020, the Division was awarded construction and property development projects with a total combined value of RM970.38 million, which contributed to an outstanding order book of RM1.78 billion.

Prospects and Strategies

With the ongoing pandemic and restrictions on travel, business and leisure activities continuing to contribute to an already strained economy, MGB is adopting a cautious approach even as we learn to embrace the operational limits that are characteristic of the new normal. The Division remains optimistic as the Malaysian government continues to roll out measures to cushion the economic disruptions and support a gradual normalisation in economic activities.

Moving forward, MGB Berhad is looking to strengthen its positioning as a trusted industry player through the implementation of strategic initiatives that will drive long-term growth and value. The Division's sustainability efforts are not limited to its value creation initiatives but are also reflected in MGB's commitment to operating responsibly so as to reduce its carbon footprint. Towards this end, the Division is looking to set further targets in its operational activities as it endeavours to uphold our Environmental, Social and Governance ("ESG") strategy.

Digitalisation will play an important role in this endeavour as MGB continues to explore technologies that will enable the Division to upgrade its operational efficiencies while decreasing costs and waste. Similarly, the Division is looking to ramp up its IBS production capacity to meet demand for environmentally and economically friendly pre-cast products.

As it aligns with the Group's strategic direction, MGB will continue to focus its efforts on the affordable housing sector even as this segment continues to garner support from the government, especially with the National Housing Policy 2.0's target of building one million affordable homes within the next decade.

Management Discussion And Analysis (Cont'd)

MOTOR RACING CIRCUIT

Overview of the Business

Zhuhai International Circuit Limited ("ZIC") is a foreign investment business owned by Lamdeal Investments Limited ("Lamdeal"). ZIC is a joint-venture project between Lamdeal and Zhuhai Special Economic Zone Long Yi Enterprise Co. Ltd. ("Longyi"), a government-owned subsidiary company under the Zhuhai Jiuzhou Holdings Group. Lamdeal is entitled to 60% of profit sharing in the circuit, while Longyi holds the remaining 40%.

The construction of the Zhuhai International Circuit, China's first permanent racing circuit, was completed in November 1996. Comprising a 4.3 km Grade 2 circuit, it is also the only circuit in China which is an approved grade B racetrack that is recognised by the International Motorcycling Federation ("FIM").

With more than two decades of motorsports experience, ZIC has established an exemplary circuit management and race operation system which has contributed to the development of China's motorsports industry. ZIC's commitment to helping develop the motorsport community has also been translated into the provision of value-creating opportunities which include the company's introduction of a comprehensive set of standard operating procedures for the management of circuits and races. The extensive manual covers the basics of circuit management and is based on ZIC's experience in the motorsports industry. ZIC's efforts saw the company acknowledged by the Guangdong government as China's first racing circuit to exhibit its own set of standard operating procedures. The company received further recognition when it was awarded the China National Mass Sport Advanced Unit by the China Ministry of Sports.

In 2016, ZIC partnered with world-renowned track design consultant, Mtrack, to provide circuit consultancy and track design services to new circuits in China and throughout Asia including the Zhengzhou International Autodrome, V1 Auto World Tianjin and a new circuit in Taipei.

Moving forward, ZIC is set to expand its reach with the approved ZIC Upgrade and Transformation Plan. Set within China's Greater Bay Area, the iconic mixed-development will further improve Zhuhai's cultural and sports tourism while promoting bilateral ties between Guangdong Province and Melaka state.



Performance Highlights

For FY2020, the Motor Racing Circuit segment recorded revenue of RM23 million and PBT of RM4 million as compared to revenue of RM25 million and a LBT of RM6 million in FY2019. The decrease in revenue was mainly due to the postponement of scheduled racing events during the lockdown period. Meanwhile, the increase in PBT is due to the one-off write back of provision for claims.

Operational Highlights

Zhuhai International Circuit - Business Diversification



The COVID-19 pandemic severely affected the motorsport industry during the year in review. The stringent precautionary measures and travel restrictions made it extremely challenging for races and events to take place. For ZIC, the lack of races resulted in a low take-up rate for the track and unpaid rental fees from the teams. All consultation and outsourcing services were also halted in compliance with precautionary measures. As an effort to utilise the track and to ensure business continuity, the company introduced many track-experience programmes targeting mass audiences. The programmes included activities that enabled customers to experience the thrill of driving on the track in various forms of racing. This successfully attracted many new customers and generated second sales. Furthermore, ZIC continued to offer its track to car manufacturers to test their cars and to host a variety of promotional events.

The company also launched several team-building and professional learning programmes following requests from corporations and customers who had undergone the track experience programme. Through these efforts, ZIC aims to spread knowledge about the motorsport industry while creating more allure for upcoming races post-COVID-19.

As large-scale events were prohibited by the Chinese government in 2020, ZIC postponed the Pan Delta Super Racing Festival ("PDSRF") event to 2021. In lieu of the PDSRF, ZIC began the Zhuhai Motorsports Association Club Races ("ZMA"). Complying with government-issued restrictions, the smaller scale races involve less personnel as no spectators are allowed. The 2020 ZMA was successfully held for three rounds with tight operational cost controls in place. The races attracted both amateur drivers and riders as well as professional teams seeking sponsorship.

ZIC also launched the Circuit Hero Fastest Lap ("CHFL") Races which saw high-performance modification shops invite their customers to race and to test the full performance of their modified cars. In 2020, the CHFL was organised four times with over 100 cars taking part in each round. ZIC also hosted three national championships during the year in review, namely the Shell Helix F4 Championship, Ducati China Panigale Cup and Mini Asia Challenge. All these activities have served to make the Zhuhai International Circuit the most active circuit in China during the pandemic.

Management Discussion And Analysis (Cont'd)

Prospects and Strategies

During the year in review, the pandemic affected overall market sentiment and customer behaviour in China. In an effort to better capture changing consumer sentiment, ZIC continues to update the Zhuhai International Circuit Upgrade and Transformation Plan as the company makes the necessary changes to adapt to the new normal.

The Upgrade and Transformation Plan is a joint effort between LBS and Zhuhai Jiuzhou Group Holdings Ltd to transform the Zhuhai International Circuit into a multi-faceted tourist hotspot. Set to boast facilities such as a research and development centre, theme park, hotel and business centre, among others, the circuit will be an integrated platform that combines sports, tourism and cultural elements.

Once completed, the upgraded Zhuhai International Circuit, will also serve as a 'China-Malaysia friendship interaction centre' which underscores the Group's efforts to help strengthen economic and commercial co-operation between the two countries. This aim is also in line with President Xi Jinping's 21st Century Maritime Silk Road Strategy and the Development Plan for the Greater Bay Area. Leveraging on these strategic alliances, ZIC will continue to plan and carry out the Upgrade and Transformation Plan in a manner that will benefit both the Zhuhai International Circuit and the communities involved.

MANAGEMENT, INVESTMENT AND OTHERS

Over the years, LBS has diversified its businesses and investments with the aim of strengthening our value creation for the long-term. Our undertakings include business holdings and active ventures into the trading of building materials, provision of management services, hospitality, provision of finance through money-lending and retail mall.

Up until recently, the Group had also held investments in equity securities listed on the Hong Kong Stock Exchange ("HKSE"). These were received from Zhuhai Holdings in 2013 as part of the cash and share deal between Zhuhai Holdings and LBS for the sale of Lamdeal Consolidated Development Ltd and Lamdeal Golf & Country Club Ltd. In FY2020, LBS disposed of its last batch of equity stake in Zhuhai Holdings for RM50 million.

During the year in review, the Group's Management, Investment and Others segment recorded revenue of RM201 million and LBT of RM15 million as compared to revenue of RM130 million and LBT of RM32 million for FY2019. The changes in revenue and LBT were mainly due to intra-group transactions.

MANAGING AND MITIGATING BUSINESS RISKS

OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK

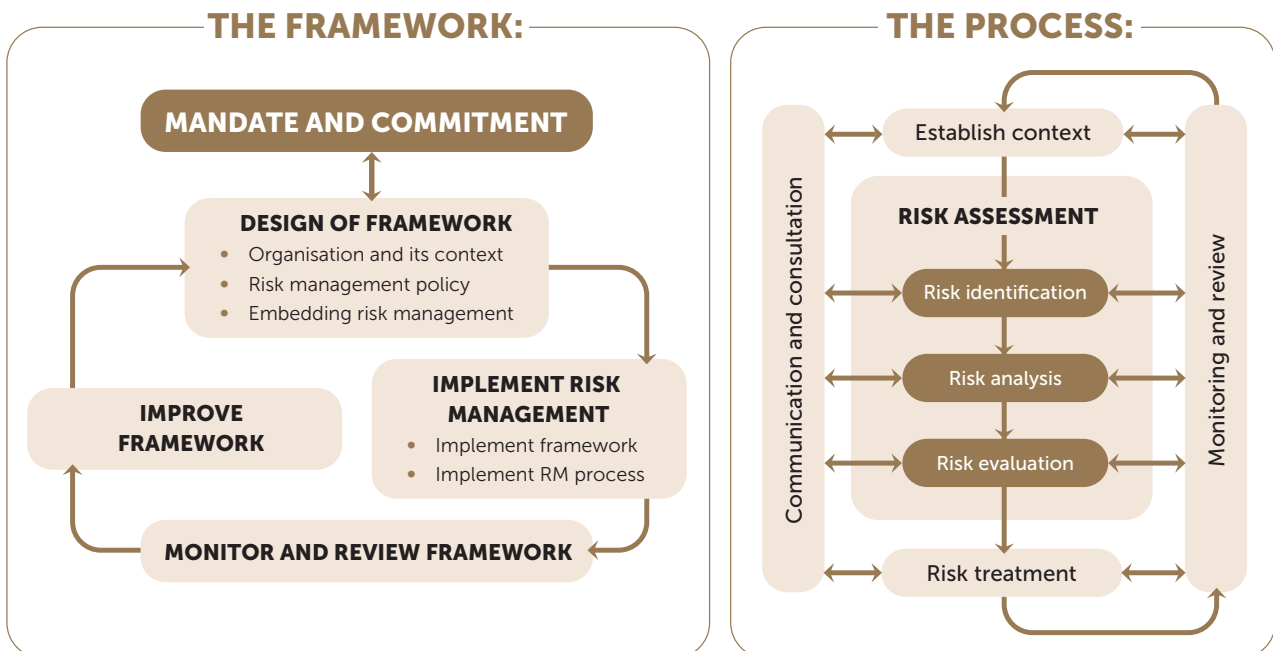
We understand that the identification and mitigation of existing and potential risks to our businesses are essential if we are to ensure LBS' sustainable growth. To this end, the Group centres its Risk Management initiatives on an Enterprise Risk Management ("ERM") framework which outlines the principal risks that are related to the Group's objectives and goals.

The Group is committed to ensuring that the ERM framework and all related activities are aligned with the guidelines issued by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") and ISO 31000: Risk Management Principles and Guidelines.

To ensure that our framework continues to be comprehensive in its assessment of risks, the Group has engaged the services of Deloitte Enterprise Risk Services Sdn Bhd to facilitate risk analysis and evaluation exercises with the aim of updating the existing risk registers. The company also organises the risk control self-assessment exercise with various stakeholders of the Group. All risk treatment plans and corresponding target risk levels for any key residual risks are subsequently revised and updated by the Group's Risk Management Committee.

The Group's framework comprises a three-lines of defence model that sees our operating processes periodically undergo detailed reviewing processes with the appropriate risk and control actions. Each risk owner/business unit is responsible for assessing relevant risks, monitoring them and developing mitigation measures. All risks are then documented in our risk register which is reviewed by our Risk Management Committee before it is presented to the Audit Committee and the Board for a final review. This three-prong strategy ensures that principal and emerging risks and uncertainties which might prevent the Group from achieving its strategic objectives are eliminated.

The following diagram summarises the Group's ERM framework and review process:

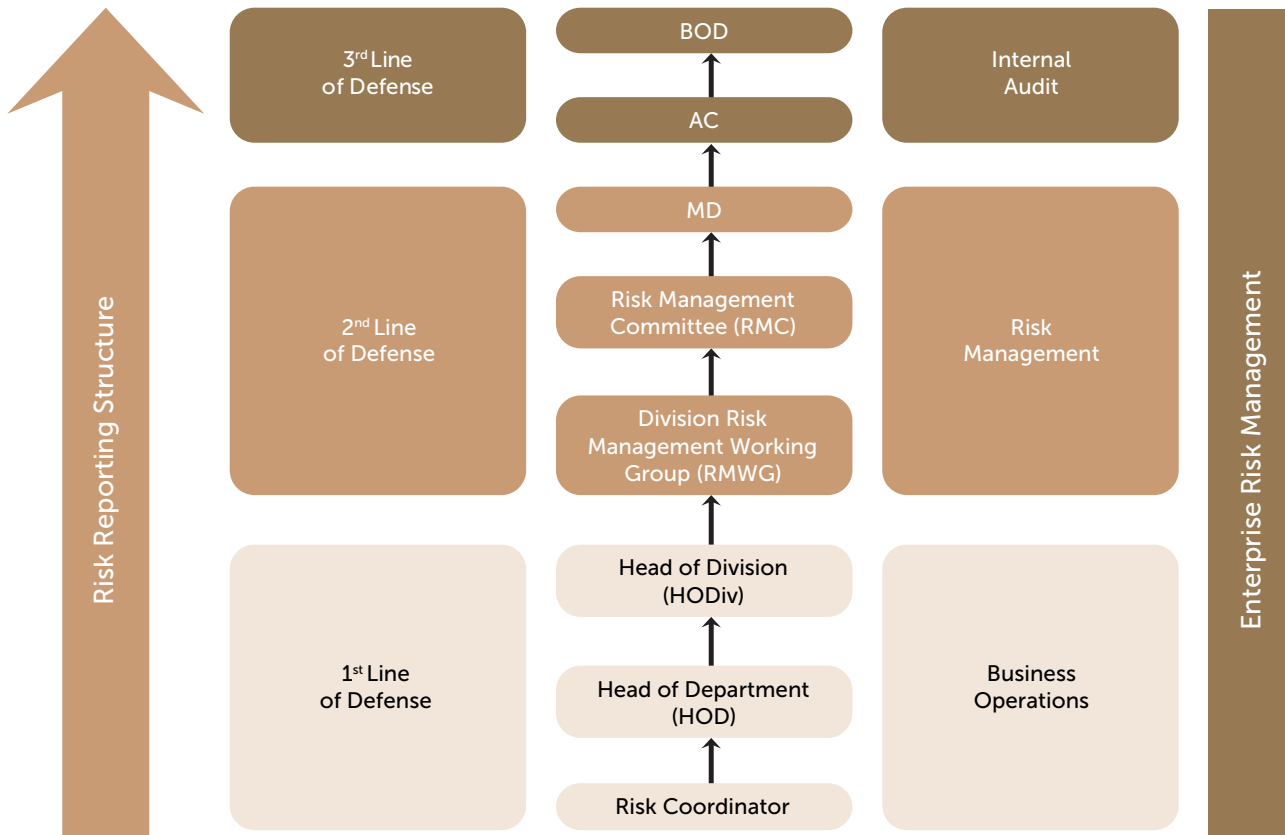


Note

The ERM architecture is based on the globally-recognised standard i.e. ISO 31000: Risk Management, Principles and Guidelines.

Management Discussion And Analysis (Cont'd)

Risk Governance Structure



OUR RISK MITIGATION STRATEGIES

Having identified the areas of risk that pose a threat to our growth strategies, LBS has actioned mitigation strategies in response to these risks. While the majority of risks posed have remained largely consistent due to the similar operating environment, we have further identified several new issues during the year in review. The newly-identified areas of risk, their impacts and corresponding mitigation actions can be observed in the table below:

Risk Profile

AREA OF RISK	IMPACT	MITIGATION STRATEGIES
Infrastructure Risk	Over-dependence on key personnel poses risk to our workplace culture, individual growth and talent retention.	Roll out immediate succession coaching with the ED to take over the roles of key personnel in the interim. To also offer competitive benefits and packages to key personnel.
Regulatory Risk	An increasing trend in sales cancellations (on average 50%) due to tightened loan regulations/ policies/ bank loans/ cancellations. Changes in local authorities' rules causes delay in obtaining approvals	Offer attractive incentives and packages for purchasers; plus acquire a money-lending licence to assist purchasers with differential sums. Establish a buffer period for the application process.
Credit Risk	Increasing trade receivables and slow collections may impede the Group's performance.	Enhance follow-up and communication procedures with the Treasury Department and Sales Department.
Inventory Risk	Large number of total unsold units for completed projects.	Closely monitor sales of ongoing projects when considering the timing of new launches. Ramp up sales initiatives with new marketing incentives to clear the balance of projects.
Strategic Risk	Inadequate planning and management of IT disaster recovery.	Improve back-up plan and IT storage capacity.
Product Quality Risk	A high volume of customer complaints received.	Tighten the internal quality control system.
Project Management Risk	Non-performing contractors.	Allocate a buffer period for the handover of vacant possession and tighten monitoring on projects.

Due to the COVID-19 pandemic and the subsequent government-imposed quarantine measures, the Group also had to face the following pandemic-related threats to our operational efficiency in FY2020. As with our standard operational risks, we rolled out several mitigatory actions in response to these risks.

Management Discussion And Analysis (Cont'd)

AREA OF RISK	IMPACT	MITIGATION STRATEGIES
Sales Risk	Sales were impacted during the MCO as quarantine measures prohibited the viewing of show units and the signing of Sales and Purchase Agreements.	Leveraged on digitalisation through the adoption of digital show units and electronic sales processes.
Construction Risk	Work processes were delayed due to the closure of construction sites during the MCO period.	Re-opened sites during the Conditional MCO with strict SOP's and catch-up strategies in place.
Profit Risk	Unforeseen expenses incurred due to sanitisation costs among other expenses and a drop in overall work efficiency due to the quarantine measures.	Adopted digitalised processes such as virtual meetings and training sessions, among others to encourage operational efficiency.

These initiatives continue to be carried out to ensure LBS exercises flexibility while remaining foundationally strong as we venture forth amidst a rapidly changing business environment.

MOVING FORWARD INTO FY2021 AND BEYOND

In FY2020, we experienced terribly weakened market sentiment due to the COVID-19 pandemic and the subsequent quarantines and restriction measures. Notwithstanding these challenges, LBS was still able to deliver a robust performance. Our resilient comeback can be attributed to the strategic foundations that we had laid down prior to the outbreak. Leveraging on digitalisation strategies which we had expedited in FY2019, the Group was able to ramp up sales campaigns from Q2 2020 onwards to garner some RM1.2 billion in new sales.

While the initial MCO and the subsequent CMCO brought about many operational uncertainties that greatly affected our sales progress and site work, we used these setbacks as a means to prepare ourselves for future challenges.

Looking ahead to 2021, the future looks promising. With the vaccine arriving in March and signs of a synchronised global economic recovery already appearing, experts have predicted that reinstated/increased earnings and higher purchasing power will lead to higher consumer confidence.

The Malaysian economy is expected to grow from 6% to 7.5%, thus signalling a gradual recovery in 2021. While COVID-19 remains an unpredictable threat to the economy as the country continues to battle surges of the pandemic, the arrival and implementation of vaccines is looking to contain this risk. On another front, uneven growth recovery across economic sectors has experts fearing that divergences could cause larger permanent job losses and business closures, particularly in high-touch services sectors. In addition, shaky political tensions continue to pose a risk as potential investors may look over the local market for more stable overseas economic opportunities to invest in. To drive economic stability, the government has rolled out several stimulus packages to encourage external demand and higher public and private expenditure. The government also continues to position Malaysia as a respectable player in diversified external trade structures as well as in rapidly expanding segments of global value chains. According to Bank Negara Malaysia's Economic and Monetary Review 2020, it is vital that these efforts are underscored by stringent policy support and thorough execution for these factors to be truly effective to the nation's economic recovery in 2021.



The resumption of economic activities across all subsectors is expected to revive the construction sector. While large infrastructure projects are set to ramp up the civil engineering subsector, the residential subsector will be kept busy with the rising demand of affordable housing projects. Similarly, the special trades subsector is expected to gain more traction from solar power projects, Jalanan Digital Negara (JENDELA), small-scale projects under the 2021 Budget and PEMERKASA measures, as well as end-works from the completion of large projects. Meanwhile, the non-residential subsector is looking to slow down following the completion of numerous large commercial projects.

In terms of the property market, the various stimulus packages and moratoriums offered by the government are expected to reinvigorate the current market conditions. Furthermore, Malaysia's young demographic bodes well for the property market as the demand for housing is expected to be sustained as more of these individuals look to settle down. Given the existing state of the economy, luxury residences are expected to see a downtrend as the affordable housing market is set to rise in demand. With these various factors in play, the property sector is primed for a gradual recovery.

Having strengthened our contingency plans, the Group is geared to deliver a stable performance in 2021 similar to one we experienced in 2020. We will continue to intentionally position ourselves as a leading player in the affordable housing segment even as that particular market is set to grow within the next decade or so.

Our strategy of combining the government's low interest rate regime and the HOC with our own attractive incentives have seen our sales grow, despite the initial downturn in Q1 and early Q2 2020. Moving forward, the Group is looking to maintain this growth and has set a sales target of sales target of RM1.2 billion for FY2021.

We are also confident that by continuing to leverage on the strategy of offering affordable products in strategic locations, not only will we be able to achieve our targets, but it will establish LBS as a developer for the *rakyat*. As testament to this belief, our townships continue to thrive. Comprising well-planned communities in well-connected neighbourhoods, our townships have been designed to make the dream of a premium lifestyle an accessible reality for the masses.

In terms of our strategic investments, the Group will continue to explore lucrative opportunities that will enable the diversification and sustainability of our incoming cash flow. The Group currently has holdings in the property development, hospitality, tourism, and retail and leasing industries.

In line with the National Tourism Policy, the government's recent push to restore and preserve the country's tourism industry, the Group is looking to ramp up its hospitality and tourism efforts in the near future. These endeavours are part of our concentrated effort to futureproof our business and to strengthen the Group's capabilities in consistently delivering sustainable value to our stakeholders.

With the slow but sure recovery of global economic conditions taking place, the LBS Group will carry forward the conservative approach that we adopted in FY2020 towards achieving our targets in the new financial year. To this end, the Group will continue to roll out strategic initiatives that align with rapidly changing economic and market trends. As we do this, we are confident of maintaining, if not building upon the good momentum we have gained thus far.

OUR PORTFOLIO

As a people's developer, LBS endeavours to develop properties that meet market demand. Our portfolio comprises residential, industrial, and commercial properties. Encompassing high rise apartments, landed homes (from single-storey terrace houses to triple-storey bungalows), our range of offerings also includes industrial and commercial units.

We offer homes for every stage of a person's life. Whether it is a purchaser's first home, an upgrade to a more spacious environment, or a property for investment, holidays or business – we create inspiring and delightful spaces that are motivated by our purchasers' priorities and their lifestyle needs. We are committed creating inspiring and delightful community-centric spaces with environments that are conducive to experiencing a balanced lifestyle. To date, two of our key township projects, namely LBS Alam Perdana and KITA @ Cybersouth have been the main contributors to our sales. These developments are supplemented by other ongoing landed developments in Johor and Perak.

KITA @ CYBERSOUTH, DENGKIL, SELANGOR



KITA @ Cybersouth, one of the Group's key developments, is strategically situated in the southern corridor of the Greater Klang Valley. Sited on approximately 633 acres of Malay reserved land, the development will comprise various types of properties including shops, commercial lots, terrace houses, town houses and service apartments, among other things. To date, the township has launched the KITA Bayu, KITA Harmoni and KITA Impian series of homes. The current ongoing development consists of two main projects namely KITA Ria and KITA Mekar, whereas the new developments slated to launch in 2021 include KITA Sejati, KITA Mesra and KITA Bestari.



Located in Dengkil, near Putrajaya and Cyberjaya, residents of the township will enjoy all the public amenities such as police stations, a fire station, hospitals, parks, transportation hubs and sports arenas that are conveniently available in these three towns. The township is also well connected to other parts of the region via four major highways.

Designed with an emphasis on doing things together, (hence, "KITA" – the Malay word for "us"), the township is an affordable, family focused development that enhances liveability within the community.



KITA Bayu

Phase 1 of KITA Bayu was launched in the fourth quarter of 2018 with 379 units of double-storey terrace houses (20' x 60') with built-up areas from 1,447 sq. ft. priced from RM550,000 onwards. Phase 2 comprises 698 units of town houses (22' x 75') with a total built-up area starting from 1,346 sq. ft. at the affordable price of RM409,900 onwards. Both phases have a total GDV of about RM498 million and are set to be handed over for vacant possession to purchasers in 2021.



KITA Harmoni

KITA Harmoni is a landed residential development project comprising a total of 674 units of double-storey terrace houses (20' x 65') with a built-up area from 1,491 sq. ft. onwards. Priced from RM585,000 onwards, with a total GDV of about RM393 million, some 89% of the development has been taken up as of 31 December 2020.

KITA Impian

KITA Impian, a 22-storey serviced apartment, was launched in the second quarter of 2019. It comprises 964 units and seven shop units with a combined GDV of approximately RM316.2 million. The serviced apartments are priced from RM250,000 onwards with built-up areas of 551 sq. ft. and 901 sq. ft., while the shops are priced from RM420,000 onwards with built-up areas of 894 sq. ft. and 1,009 sq. ft.

KITA Ria

KITA Ria is a 22-storey serviced apartment comprising 812 units with a total GDV of approximately RM268 million. Priced from RM250,000 onwards, 680 units have a built-up area of 901 sq. ft. and the remaining 132 units have a built-up area of 602 sq. ft. This project was launched in July 2020.

KITA Mekar

KITA Mekar comprises 342 units of single-storey terrace houses (20' x 70') with 98% sold as of 31 December 2020. The development also features 432 units of townhouses (22' x 75') and 388 units of double-storey terrace houses (20' x 60') with an estimated GDV of RM185 million and RM224 million respectively. The single-storey terrace houses and town houses were launched in October 2020, while the double-storey terrace houses are slated to be launched in the second quarter of 2021.

KITA Sejati

KITA Sejati is a 24-storey serviced apartment that comprises 1,054 units. Slated for launch in the third quarter of 2021, the project is estimated to generate a total GDV of about RM347 million.

KITA Mesra

KITA Mesra comprises 389 units of single-storey terrace houses (20' x 70'), some 41 units of double-storey terrace houses (22' x 65') and 216 units of townhouses (22' x 75') with an estimated GDV of RM179 million, RM24 million and RM92 million respectively. The development is scheduled for launch in 2021.



KITA @ Cybersouth Sales Gallery

KITA @ Cybersouth Sales Gallery
Cybersouth,
43800 Dengkil,
Selangor, Malaysia

Open daily from
10am – 6pm

Hotline: 1700 81 8998

DEVELOPMENT LAND SIZE
633 Acres

LAND TENURE
Leasehold 99 years

LAND TYPE
Malay Reserved Land

ACCESSIBILITY

- Putrajaya-Cyberjaya Expressway via ELITE Highway
- Maju Expressway (MEX)
- South Klang Valley Expressway (SKVE)
- North-South Expressway (NSE)
- Damansara-Puchong Highway (LDP)

WEBSITE

<https://www.lbscybersouth.com.my/>

Our Portfolio (Cont'd)



LBS ALAM PERDANA, BANDAR PUNCAK ALAM, SELANGOR

LBS ALAM PERDANA

LBS Alam Perdana is a 470-acre township strategically located in the northwest of the Klang Valley. Situated in Bandar Puncak Alam, Ijok, Selangor, the development is approximately 45 km from the Kuala Lumpur city centre, 35 km from the Petaling Jaya city centre and 15 km from the Sungai Buloh town centre.

The township also enjoys easy access to established suburban areas via major roads and several highways. Accessibility to the site is expected to be enhanced with new expressways such as the Damansara-Shah Alam Elevated Expressway ("DASH"), which is scheduled for completion by the end of 2021, and the West Coast Expressway ("WCE") which is undergoing construction and is scheduled for completion by 2024. Furthermore, the Sultan Abdul Aziz Shah Airport in Subang is 25 km away and the UiTM campus a mere 6 km drive from LBS Alam Perdana.

Comprising landed residential development, high-rise development, commercial development and Perumahan Penjawat Awam Malaysia ("PPAM") development components, this gated and guarded township has been designed to cater to a larger spectrum of homebuyers within the market.



LBS Alam Perdana township

Artist's impression

As the development is focused on community engagement within a securely guarded environment, it features a landscaped back-lane-garden that connects the whole neighbourhood and promotes communal interaction among residents. The township also boasts private and public gardens, a serenity lake, exercise equipment, and a jogging path along the lake which allows everyone to exercise and enjoy outdoor activities with their family members and friends. The development also offers several education hubs, and community halls.



Launched in the fourth quarter of 2017, Phase 1 of the township, Simfoni Perdana, comprised 980 units of townhouses (22' x 75') with a total gross development value (GDV) of about RM376 million. The built-up areas of the units start from 1,191 sq. ft. at the affordable starting price of RM408,000. Phase 2 of the township, Irama Perdana, comprising 673 units of double-storey terrace houses (20' x 60'), with built-up areas from 1,208 sq. ft. onwards was priced from RM509,000 and was launched in the same year following good demand for Phase 1. The total GDV of this phase of the development is approximately RM335 million.

Rentak Perdana forms Phase 3 of the project. Comprising 856 units of double-storey terraced houses (20' x 60') plus 28 spacious and affordable units of single-storey semi-detached houses (35' x 90'), the development has a total GDV of RM471 million. The gated community is designed to cater to families and boasts features such as a children's play park, futsal court and tai chi plaza all within a safe environment that is covered by 24/7 security. Launched in July 2018 to meet the increasing demand for even more affordable homes in this popular township, the project has sold 98% of its units as of 31 December 2020.

Phase 4A – Ritma Perdana – was launched in September 2020. Some 28% of the development which consists of 230 units of townhouse (22' x 80') with a total GDV of about RM100 million had been taken up as of 31 December 2020 and some 30% of 298 units of double-storey terrace houses (20' x 60') with a total GDV of RM164 million has been taken up as of 31 December 2020. Phase 4B and 4C of Ritma Perdana comprising 603 units of double-storey terrace houses (20' x 60') with a total GDV of about RM338 million are slated to be launched in 2021.

Block A and Block B of Phase 5 of Melodi Perdana were launched in October 2019 and November 2020 respectively. Both blocks comprise 439 units of apartments each with Block A having a total GDV of about RM159 million and Block B's GDV recorded at around RM161 million. As at 31 December 2020, approximately 80% of Block A has been sold while Block B has had 18% of its units sold. Block C of Melodi Perdana, which comprises 321 units of apartments with a total GDV of about RM120 million, is slated to be launched in the third quarter of 2021.

To date, a total of 3,943 units of residential properties comprising townhouses, double-storey terrace homes, single-storey semi-detached homes and apartments, with a total GDV of about RM1.78 billion have been launched. Phases 1 and 2 of the development have been completed and the handover of vacant possession to purchasers took place in the first quarter of 2020.



LBS Alam Perdana Show Gallery

Persiaran Alam Perdana,
Bandar Puncak Alam,
42300, Selangor

Open daily from
10am – 6pm

Hotline: 1700 81 8998

LAUNCH YEAR
2017

DEVELOPMENT LAND SIZE
469.8 Acres

LAND TENURE
Leasehold 99 years

ACCESSIBILITY

- Guthrie Corridor Expressway (GCE)
- KL-Kuala Selangor Expressway (LATAR)
- North-South Expressway (NSE)
- New Klang Valley Expressway (NKVE)

WEBSITE

<https://lbs-alamperdana.com.my/>

Our Portfolio (Cont'd)

BANDAR SAUJANA PUTRA, SELANGOR

BANDAR SAUJANA PUTRA

BSP



Bandar Saujana Putra township

Artist's impression

The Group's flagship development is Bandar Saujana Putra ("BSP"), an 850-acre award-winning township with individual neighbourhoods connected by a landscape boulevard with over 40 acres of open green spaces.

It is an integrated and self-contained township with 11,900 residential and commercial units that have been completed and delivered to purchasers. The diverse types of residential offerings will ensure that people from a wide range of income groups and lifestyles have equal access to accommodation that meets their needs. BSP boasts seamless integration within the community by offering recreational parks, sporting facilities, a clinic, bank, surau, shops, schools (under construction), a multi-purpose hall (under construction) and bus service. The township is strategically located within close proximity to a developing education hub, medical centre, police station and petrol station. It is also easily accessible and conveniently connected to major suburbs and town centres as well as the international airport via five major expressways. Another convenient and fast alternative mode of transportation is available at Putra Heights, a nearby township that is connected by two LRT extensions. Putra Heights station serves as an interchange station between the Kelana Jaya line extension and the Ampang line extension.

Occupancy

Since its first launch in 2003, the township has seen tremendous growth with its occupancy rate recorded 85% at its lowest point. LBS is upbeat that the number of occupants will increase even as the township is located in a strategic neighbourhood that continues to experience dynamic growth.

Potential value

The value of properties in BSP continues to appreciate by leaps and bounds. For many properties within the residential segments such as Saujana Business Park, the value of the commercial units has appreciated more than 100%. As such, BSP has become a choice location for families and investors alike. As BSP continues to grow in stature and value, many have and will recognise that BSP is an investment-worthy township, be it for financial investment or simply an investment to serve family needs. Aside from this, new developments near BSP, such as MAHSA University, also provide more job opportunities and serve to enhance the vibrancy of the township.



BSP 21

BSP 21 is a 21-acre award-winning development that consists of 10 blocks of 18-storey and 27-storey residential towers comprising 2,602 units of serviced residences and 28 units of shops. The entire development is built on three separated podiums interconnected by sky bridges and green spaces. The lifestyle-focused development features eight acres of space for 103 recreational facilities and amenities that are organised into multiple active and quiet zones to ensure each dedicated area embodies the atmosphere of the allotted activities. The clubhouse, spreading some 66,000 sq. ft. over four levels, comes ready with kid-friendly putt-putt golf, an indoor silver station, a roller-skating rink, imagination room, dance studio, meditation room, ballroom, outdoor theatre, community meeting, 2.7 km jogging and cycling track, among other amenities.

This project caters to first-time homebuyers, young families and investors. Boasting affordable pricing, quality homes, better security systems, ample conveniences and superb connectivity, BSP 21 is expected to be a bold indication of the future growth of the BSP Township with a total GDV of RM1.4 billion. All 10 blocks of 2,602 residential units were completed and purchasers took vacant possession between the years 2017 and 2019.

Future launches in BSP will include Idaman Saujana, an affordable housing development project under the Rumah Selangorku programme.



LBS Show Room Bandar Saujana Putra

No. 2 & 6, Jalan SPU 1,
Bandar Saujana Putra,
421610 Jenjarom, Kuala Langat,
Selangor Darul Ehsan, Malaysia

Open daily from
10am – 6pm

Hotline: 1700 81 8998

DEVELOPMENT LAND AREA
850 Acres

LAND TENURE
Leasehold 99 years

ACCESSIBILITY

- Shah Alam – KLIA (ELITE)
- Putrajaya – Kajang (SKVE)
- Putrajaya – KL (MEX)
- Damansara – Puchong (LDP)
- Klang – KL (KESAS)

WEBSITE

<https://bstptownship.com.my/>

Our Portfolio (Cont'd)

D'ISLAND RESIDENCE, PUCHONG, SELANGOR



D' Island Residence is an exclusive island-themed development with luxurious properties picturesquely framed against a shimmering lake and modern conveniences.

Comprising bungalows, semi-detached homes, luxury superlink residences, serviced apartments, condominiums and a commercial centre, it is self-sustaining and eco-conscious.

This unique island-living development is connected via several highways and expressways, namely SKVE, LDP, KESAS, ELITE and MEX. It is also easily accessible from the Puchong town centre, Kajang, Sri Kembangan and is approximately 30 km southwest of Kuala Lumpur City Centre.



D'Island Residence aerial view

Artist's impression

Amenities that are within easy reach include:

Shopping

Tesco, Giant, AEON BiG, IOI City Mall, Sunway Pyramid, Summit USJ

Education

Taylor's International School, Fairview International School, Universiti Multimedia M'sia, SJKC Sin Ming, Monash University Malaysia, Sunway University, Taylor's University Lakeside Campus, SEGI College, Binary University College, LimKokWing University, Rima International College

Medical

Columbia Asia Hospital, KPMC Puchong Medical Centre, Hospital Putrajaya, Sunway Medical Centre, Sime Darby medical Centre

Hotels

Cyberview Resort & City, IOI Resort City, Sunway Resort, Summit Hotel, Pulse Grande Hotel

Tourist attractions

Botanical Garden, Putra Mosque, Putra Bridge, Agriculture Heritage Park, Sunway Lagoon

Progressing well and on time, this development is expected to be completed within the next five to seven years.

Skyvilla is the first high-rise development within D' Island Residence, with two 17-storey blocks featuring 13 residential units on each floor. Residents will get to immerse themselves in the charm of the island-themed township while enjoying resort-style facilities including a café and an exclusive clubhouse. Round-the-clock CCTV surveillance completes the experience of a safe, secure and idyllic home that's a retreat unto itself.



Skyvilla condominium

Artist's impression



Corallia 2-storey semi-detached house

Artist's impression

Launched in 2015, Corallia's exclusive homes come with a rainwater harvesting system, a lofty 14 ft ceiling height and an expansive balcony. Phases 1, 2 and 3 offer 172 units in total. All completed.



Nautilus 2-storey superlink house

Artist's impression

The premium homes at Nautilus that are conveniently connected yet delightfully secluded. Inspired by the island-centric theme of the township, these homes are elegant and spacious with huge glass doors and large windows. The 2-storey superlink design includes a lofty 14 ft ceiling height in the living area and split-level first floor. All to maximise space and natural lighting in what appears to be an endless, open interior set against scenic landscape and sparkling lake views. To ensure exclusivity, there are only 53 and 62 units for the 2-storey and 3-storey homes, respectively. All completed.



D' Island Sales Office

No. 3, Jalan Timur 9,
D'Island Residence
47130 Puchong, Selangor

Hotline: 1700 81 8998

PROJECT

Island township

DEVELOPMENT LAND SIZE

175 Acres

LAKE SIZE

1000 Acres

ACCESSIBILITY

5 highways/ expressways

Our Portfolio (Cont'd)

RESIDENSI BINTANG BUKIT JALIL, KUALA LUMPUR



Residensi Bintang Bukit Jalil marks the centre of an internationally renowned hillside neighbourhood vibrant with sports, education and leisure. This 5.47-acre development is strategically located in the heart of Bukit Jalil, Kuala Lumpur and is well connected to all the conveniences of a vibrant metropolitan city as well as suburban living by five major expressways. Residents of the development have easy access to a myriad of shopping malls and retail outlets, golf clubs and sporting arenas as well as several educational and tertiary institutions.



Bintang Tree Artist's impression



Swimming Pool Artist's impression

Residensi Bintang Bukit Jalil features two blocks of residential towers with 47-storeys within the North Tower and 50-storeys within the South Tower. The North Tower, comprising 730 units with a GDV of approximately RM500 million was launched in the final quarter of 2017 whereas the South Tower was launched in the third quarter of 2019 with 612 units and a total GDV of about RM444 million. In total, the development boasts 1,342 units with seven unique layouts ranging from 802 sq. ft. to 2,259 sq. ft. and a total GDV of about RM944 million. Type A units come with a cosy two bedrooms and two bathrooms layout, while Type B units are designed with a luxurious three bedrooms and two bathrooms layout. The larger Type C units are also equipped with a yard and utility room.

Paying attention to the needs of today's home buyers, Residensi Bintang Bukit Jalil has incorporated the convenience of ample amenities under one roof with a selection of over 90 facilities. These include a garden pool, aqua gym, games room, a quiet reading nook, indoor and alfresco gyms, and a children's playground to name a few. Another unique selling point of Residensi Bintang Bukit Jalil is its 15-meter elevation from the main road, which makes it the highest condominium in Bukit Jalil, giving residents a breath-taking view of the city skyline and the majestic Titivangsa range.



Residensi Bintang Bukit Jalil Artist's impression



LBS Residensi Bintang Bukit Jalil Show Gallery

E13, Pusat Bandar Bukit Jalil,
Jalan Jalil Utama 2,
57000 Kuala Lumpur

Open daily from
10am – 6pm

Hotline: 1700 81 8998

DEVELOPMENT LAND SIZE
5.47 Acres

LAND TENURE
Leasehold 99 years

ACCESSIBILITY

- Lebuhraya Damansara-Puchong (LDP)
- Maju Expressway (MEX)
- Konsortium Expressway Shah Alam Selangor (KESAS)
- Bukit Jalil Highway
- Kuala Lumpur-Seremban Expressway

GROSS BUILT-UP AREA
802 sq. ft. – 2,259 sq. ft.

TOTAL UNITS
1,342 Units (2 Towers)

WEBSITE

<https://www.bintangbukitjalil.com.my/>

MERCU JALIL, BUKIT JALIL, KUALA LUMPUR

Mercu Jalil

Kuala Lumpur



Mercu Jalil is made up of two blocks of 47-storey towers comprising a total of 1,360 units as well as a nine-storey car park facility. The development features units with two different built-up areas of 1,000 sq. ft. and 1,200 sq. ft. Each unit type is fully equipped with three bedrooms and two bathrooms. Mercu Jalil provides amenities catering for families, with a playground, jogging path and a multipurpose hall for big family gatherings. Tower A was launched in the first quarter of 2018 with a GDV of RM177 million. Tower B comprises 750 units with a total GDV of RM372 million and is targeted to launch in 2021.



LBS Sales Gallery @ Bukit Jalil

E13, Pusat Bandar Bukit Jalil,
Jalan Jalil Utama 2,
57000 Kuala Lumpur

Open daily from
10am – 6pm

Hotline: 1700 81 8998

DEVELOPMENT LAND SIZE
5.43 Acres

LAND TENURE
Leasehold 99 years

ACCESSIBILITY

- Lebuhraya Damansara-Puchong (LDP)
- Maju Expressway (MEX)
- Konsortium Expressway Shah Alam Selangor (KESAS)
- Bukit Jalil Highway
- Kuala Lumpur-Seremban Expressway

GROSS BUILT-UP AREA
1,000 & 1,200 sq. ft.

TOTAL UNITS
1,342 Units (2 Towers)

WEBSITE

https://lbs.com.my/property/mercu_jalil/
https://lbs.com.my/property/mercu_jalil/

Our Portfolio (Cont'd)

LBS SKYLAKE RESIDENCE, PUCHONG, SELANGOR



LBS SkyLake Residence is a lakeside residence located in the heart of Bandar Puchong. Although surrounded by nature, the exclusive development remains convenient with its central location. With quick access to the LDP and ELITE expressways, the development is a mere 15 minutes from Bandar Puteri Puchong, 25 minutes to Sunway, Petaling Jaya, and Bukit Jalil and 30 minutes to KLIA. Launched in August 2017, LBS SkyLake Residence has a total GDV of RM373 million. As of 31 December 2020, the development has sold 85% of its units and is targeted to hand over the units for vacant possession in the third quarter of 2021.



LBS SkyLake Residence

No. 3, Jalan Timur 9,
47130 Puchong,
Selangor

Hotline: 1700 81 8998

PROJECT
Serviced apartment

LAND AREA
5.079 Acres

BUILT-UP AREA
545 sq. ft. – 1,063 sq. ft.

ACCESSIBILITY
3 highways/ expressways

TOTAL UNITS
<https://lbs.com.my/township/lbs-skylake-residence/>

ZENOPY RESIDENCES, SERI KEMBANGAN, SELANGOR

ZENOPY RESIDENCES



Zenopy Residences is a serviced apartment that comes with various amenities. Coined from the words 'zen' and 'canopy', the name Zenopy embodies the peaceful pace of life that this development aims to offer. This theme of calmness and serenity is also reflected in the development's unique design of a canopy-like gazebo.

Located in the heart of Seri Kembangan, it is easily accessible and conveniently connected via Lebuhraya Damansara-Puchong (LDP) and Maju Expressway (MEX). With an established road network, it is merely minutes to Serdang town, Bukit Jalil, Puchong town, Putrajaya, Cyberjaya and KLIA. Designed with young families in mind, residents of the development also enjoy easy access to retail and public facilities as well as prestigious educational institutions.

Zenopy Residences is a 4.69-acre mixed development of two-storey and three-storey commercial units, affordable shops and a 30-storey serviced apartment. This project comprises 51 units of commercial shops with built-up areas from 2,062 sq. ft. to 10,458 sq. ft. priced from RM1.0 million onwards. There are also 23 units of affordable shops with built-up areas from 968 sq. ft. to 1,367 sq. ft. selling at RM190,000 per unit. The serviced apartment consists of 398 units with built-up areas from 823 sq. ft. to 2,031 sq. ft. and a starting price from RM477,000 onwards. The estimated GDV for this project is RM318 million.

The commercial shops which were launched in 2017 have been duly completed with handover of the vacant possession to the purchasers achieved in 2019, while the affordable shop units are currently being sold. The vacant possession of the serviced apartments were handed over to purchasers in December 2020.



Zenopy Residences Sales Gallery

A-1-13A, Zenopy Residences,
Jalan LP7/4, Taman Lestari Perdana,
Bandar Putra Permai,
43300 Seri Kembangan, Selangor

Open from

Mon – Fri 9am – 6pm
Sat 9am – 1pm

Hotline: 1700 81 9091

DEVELOPMENT LAND AREA

4.69 Acres

LAND TENURE

Leasehold 96 years

ACCESSIBILITY

- Shah Alam – KLIA (ELITE)
- Putrajaya – Kajang (SKVE)
- Putrajaya – KL (MEX)
- Damansara – Puchong (LDP)
- Klang – KL (KESAS)

WEBSITE

<https://lbs.com.my/property/zenopy-residences/>

Our Portfolio (Cont'd)

CAMERON GOLDEN HILLS, CAMERON HIGHLANDS, PAHANG



Situated at approximately 5,000 feet above sea level, Cameron Golden Hills offers homeowners a wholesome lifestyle set in the country's tranquil green highlands. The township, with its tagline, "The Way Life Should Be", is conveniently located approximately four kilometres north of Tanah Rata town and two kilometres south of Brinchang town.

With its unique natural green scenery and cooling climate, Cameron Highlands has evolved from a traditional farming economy into a popular tourist destination in Malaysia. Cameron Golden Hills, which has a total GDV of approximately RM589 million, offers shop apartments and a variety of landed properties, which include bungalow lots, based on elegant and contemporary designs.

Various types of projects under the project names of Somer Square, Somer Mansion, Barrington Square, Barrington Homes, The Vines and Vines 2, comprising shop apartments, double-storey terrace homes, double and triple-storey semi-detached homes and bungalow lots have been completed under different phases of Cameron Golden Hills.

In July 2020, the Group launched Vines 3 which comprises 41 units of double-storey terrace houses (20' x 60') priced from RM850,800 onwards with a total GDV of RM36 million. Cameron Golden Hills is in the planning stage for a new launch of 14 units of double-storey terrace houses (30' x 80') called 'Somerhomes' in the second quarter of 2021.



BARRINGTON HOMES

Thirty-four units of 2-storey semi-detached homes and 12 units of 3-storey semi-detached homes launched in 2014. Completed property.



BARRINGTON SQUARE

Three blocks of shop apartments launched in 2013. Features 381 apartment units and 36 shoplots. Completed property.

SOMER HOUSE

Forty-three bungalow lots that were launched in 2011.



SOMER SQUARE

Two blocks of shop apartments consisting of 156 apartment units and 36 shoplots were launched in 2012. Completed property.

VINES 2

Seventy-seven units of 2-storey terraced homes. Vines 2 was launched in July 2017 and it is a completed property.



VINES 3

Forty-one units of 2-storey terraced homes in a distinctively English Tudor architecture. Launched in July 2020, Vines 3 is currently under construction.

Sales Gallery

B3-31-G, Brinchang Square,
Jalan Besar Brinchang,
39100 Cameron Highlands,
Pahang, Malaysia

Open daily from

Mon – Fri 9am – 6pm

Hotline: 1700 81 8778

LAUNCH YEAR

2010

TOTAL UNITS

59 Units

ACCESSIBILITY

- North-South Expressway (NSE)

LAND TENURE

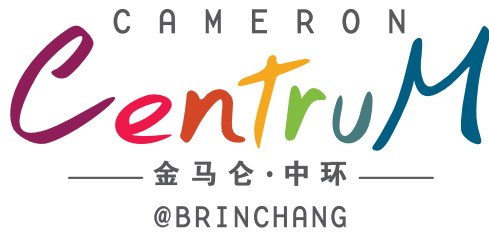
Leasehold 99 years

WEBSITE

<https://lbs.com.my/township/cameron-golden-hills/>

Our Portfolio (Cont'd)

CAMERON CENTRUM, BRINCHANG, PAHANG



Cameron Centrum is a mixed development comprising residential, commercial, hotel and retail facilities on an 86-acre property strategically located in Brinchang. The Brinchang township is one of the major towns in Cameron Highlands. It is a top tourist spot in Malaysia and is well known for its pleasant cool weather, food and the unique local lifestyle.



Cameron Centrum Precinct 1 is the first phase which was launched in 2017. Spanning over 5.66 acres of land, it offers a combination of 58 shop office units and a hotel. The shop office has an estimated GDV of RM184 million. The 2-storey, 4-storey and 5-storey commercial units range in size from 2,185 sq. ft. to 9,214 sq. ft., and are priced from RM1.4 to RM5.5 million.



Planned launches in 2021 include Precinct 2 which comprises apartments and commercial units. Precinct 4, also known as Centrum Orkedia, comprises 60 units of double-storey terrace houses (20' x 65'). With an estimated GDV of RM60 million, Precinct 4 is also slated to be launched in 2021.

Sales Gallery

B3-31-G, Brinchang Square,
Jalan Besar Brinchang,
39100 Cameron Highlands,
Pahang Darul Makmur, Malaysia

Open daily from

10am – 6pm

Hotline: 1700 81 8778

GROSS BUILT-UP AREA

From 2,185 sq. ft. – 9,214 sq. ft.

TOTAL UNITS

58 Units

ACCESSIBILITY

- North-South Expressway (NSE)

WEBSITE

<https://lbs.com.my/property/cameroncentrum/>

Our Portfolio (Cont'd)

MIDHILLS, GENTING HIGHLANDS, PAHANG

云顶翠苑
MIDHILLS
AT GENTING

Midhills is a 5.35-acre wellness-inspired mixed development comprising three blocks of 610 units of furnished serviced apartment of various sizes. The project also features SCAPES hotel, a four-star hotel with 176 rooms. With a total GDV of about RM355 million, all three towers of the residential units have been completed and handed over to the purchasers in 2018. Furthermore, in February 2021, SCAPES hotel commenced its operations.



Hotline: 1700 81 8998

WEBSITE

<https://lbs.com.my/property/midhillsat-genting/>

BAYU HILLS, GENTING HIGHLANDS, PAHANG

云顶雅苑
BAYUHILLS
©GENTING BY LBS

Following the success of Midhills, the Group has seen the potential of this well-known tourism area and plans to launch its second project known as Bayu Hills.

Bayu Hills is strategically located mid-way up the Genting Highlands which lies in a sweet spot where the natural energies of the land converge to promote health and wealth. Bayu Hills is a unique resort-styled development graced with feng shui-friendly, naturally occurring elements, and well-planned facilities designed to complement these elements. It is advantageously positioned in the greatest and oldest countryside range in Malaysia which is bordered by rainforest with rejuvenating cool fresh air and natural landscape. Be it the tranquillity of nature, the excitement of Genting, or the allure of the golfing range, Bayu Hills offers a holistic lifestyle for those who are looking for a well-balanced lifestyle away from the city.



Bayu Hills serviced apartment

Artist's impression

This project is just a stone's throw from Gohtong Jaya Township, a satellite town of Genting Highlands. Nestled on a plateau five kilometres before the resort on the highlands, Gohtong Jaya has several tourist attractions in the immediate surroundings. In recent years, the town has expanded its economic activities in education with several educational establishments including the reputable Genting Inti International College (GIIC), Highlands International Boarding School and Institute Aminuddin Baki (Ministry of Education).

Strategically located just thirteen kilometres from Genting Highlands where the World Genting theme park and the Skytropolis Funland are located, and seven kilometres away from the Genting Premium Outlet, Bayu Hills has a great potential for high rental yield and capital appreciation. It is easily accessible from Kuala Lumpur by using the Kuala Lumpur-Karak Expressway (KARAK) and North-South Expressway (NSE) via Batang Kali. It is merely 45km from the Kuala Lumpur city centre.

In the project's pipeline is Bayu Hills, a high-rise residential tower comprising 642 units of serviced apartments situated on a 2.3-acre land next to Midhills. Bayu Hills.

Hotline: 1700 81 8998

WEBSITE

<https://lbs.com.my/property/midhillsat-genting/>

Our Portfolio (Cont'd)

BANDAR PUTERA INDAH, BATU PAHAT, JOHOR

BANDAR PUTERA INDAH

皇子城

The Group's southern project, Bandar Putera Indah, is a 1,288-acre fully integrated township situated in Batu Pahat, Johor. Comprising more than a combined total 11,000 units of residential and commercial units, the township boasts amenities such as commercial lots offering services such as a supermarket, restaurants and food courts. The township is also planning to develop schools to provide education for the children as well as a shopping complex to entertain entire families. The township also includes a proposed sports and recreational centre which will provide a place of relaxation for residents. As of 31 May 2020, a total of 2,594 units of properties in Bandar Putera Indah have been handed over to purchasers.



Emerald Garden 3

Artist's impression

Planned launches in 2021 include Magma Garden 2 which comes under the ambit of Rumah Mampu Biaya developments. Magma Garden 2 comprises 185 units of affordable single-storey terrace houses (20' x 65') with an estimated GDV of RM29 million. The Rumah Mampu Biaya development is priced from RM150,000 and above.

Laman Bayu

Laman Bayu comprises 483 units of double-storey terrace houses (20' x 65') with four bedrooms and three bathrooms with gross built-up areas from 1,426 sq. ft. onwards. Phase 1, consisting of 134 units, was launched in the fourth quarter of 2018 whereas Phase 2, comprising 231 units, was launched in the second quarter of 2019. Phase 1 and 2 have a combined estimated GDV of about RM134 million. As of now, Phase 1 will be handed over with vacant possession to purchasers in the first quarter of 2021. Phase 3, comprising 62 units (20' x 65') priced from RM300,000, is targeted for launch in the first quarter of 2021.



Emerald Garden 3

Emerald Garden 3 comprises 424 units of single-storey terrace houses (22' x 75') with four bedrooms and two bathrooms with a total GDV of RM156 million. Phase A of the project introduced a total of 46 units at the end of 2019 with another 137 units opened up in 2020. Out of those 378 units, 205 units consist of single-storey terrace houses (22' x 75') with an estimated GDV of RM76 million and 185 units of affordable houses (20' x 65').

Magma Garden

Magma Garden was introduced in 2013, to further strengthen our commitment to the Johor state and Federal governments in providing more affordable homes. It comprises 933 units of single-storey terraced homes with gross built-up area of 1,022 sq. ft. containing three bedrooms and two bathrooms. Phase 1 of 612 units and Phase 2 of 136 units has been duly completed.



Bandar Putera Indah

No. 27-29, Jalan Putera Indah 12/1,
Bandar Putera Indah, Tongkang Pechah,
83000 Batu Pahat, Johor

Hotline: 1700 81 8899

LAUNCH YEAR
2002

DEVELOPMENT LAND AREA
1,288 Acres

LAND TENURE
Freehold

ACCESSIBILITY
• North-South Expressway (NSE)

WEBSITE
<https://lbs.com.my/township/bandarputera-indah/>

Our Portfolio (Cont'd)

TAMAN KINDING FLORA, CHEMOR, PERAK

Taman Kinding flora

Taman Kinding Flora is a 107-acre development strategically located in Tanah Hitam, Mukim Hulu Kinta, on the north side of Ipoh, Perak. This project has easy access to the main town of Ipoh, a capital town well-known to tourists for its good food and natural attractions such as caves, limestone hills and temple within caves. Residents can also look forward to conveniences such as schools, college, a hypermarket, a hospital and clinics. Residents in Taman Kinding Flora have excellent access through the development from an upgraded 66-foot wide road that enhances traffic flow for residents.



Taman Kinding Flora consists of a variety of 789 landed properties which include single-storey cluster terrace houses, single-storey terrace houses and shops. The single-storey residential homes are designed to suit the current market demand for affordable homes and are aimed at the middle-income bracket. The estimated GDV for this project is RM199 million.

In 2019, a total of 254 units of various types of single-storey residential properties with a total GDV of about RM60.6 million were launched with prices starting from RM205,000 each. Another 168 units with a total GDV of approximately RM42 million were launched in 2020.

Planned launches in 2021 include Phase 4, 5, 9B and 10. Phase 4 and 5 comprise of 174 units of single-storey cluster link houses measuring (20' x 60') and (20' x 65') respectively with an estimated GDV of RM42 million. Phase 9B and 10 comprise 96 units of single-storey terrace houses (20' x 70') each with an estimated GDV of RM25 million.

Sales Gallery

Taman Kinding Flora,
Changkat Kinding,
Mukim Hulu Kinta,
31250, Perak

Open daily from
10am – 6pm

Hotline: 1700 81 9336

LAUNCH YEAR
May 2019

DEVELOPMENT LAND AREA
107 Acres

LAND TENURE
Leasehold 99 years

ACCESSIBILITY

- NNorth-South Expressway (NSE)
- Ipoh Railway Station
- Ipoh Airport

WEBSITE
<https://lbs.com.my/township/tamankinding-flora/>

SINARAN MAHKOTA, KUANTAN, PAHANG



Sinaran Mahkota is a hot spot for shopping, dining and entertainment in Kuantan, the capital of Pahang. Sitting on prime real estate, this exciting completed social hub comprises 121 units of shop offices that were launched in 2014.

The development is strategically located to serve a burgeoning catchment area of government offices such as the Pahang Interior Ministry, Department of Immigration, National Registration Department (NRD), Fire and Rescue Department of Malaysia (Bomba), Malaysian Palm Oil Board (MPOB), Group Employees Provident Fund (EPF) and private commercial establishments.

In addition to that, patronage also comes from the International Islamic University Malaysia (IIUM), Kuantan Medical Centre (KMC) and International School of Kuantan (ISK) nearby. Connected via the East Coast Expressway (LPT), Sultan Haji Ahmad Shah Airport and Kuantan Port, Sinaran Mahkota is just about 5 km northeast of the Kuantan town.



Hotline: 1700 81 8899

PROJECT
Shop Office

LAND AREA
8.46 Acres





UPHOLDING EXCELLENCE, CREATING VALUE

The team at LBS is committed to pursuing excellence in all that we do. We aim to give our customers the best value by ensuring every home is delivered in prime condition upon handover. Each home that we build leverages the IBS pre-cast methodology which enables us to have a standardised level of excellence across each individual space that we create.

By making an online customer service platform available, we aim to enhance our quality control and customer service. Our vision is to be an internationally recognised developer, that builds and inspires delightful spaces that enhance community living.

SUSTAINABILITY REPORT

ABOUT THIS REPORT GRI 102-46, 102-50, 102-51, 102-52, 102-53

"Despite challenging times due to the COVID-19 pandemic, LBS remains resilient and committed to our Sustainability journey for the betterment of our environment, stakeholders and a nation beyond 2020."

Tan Sri Dato' Seri Lim Hock San, Executive Chairman, LBS Bina Group Berhad.



With another year in view, LBS Bina Group Berhad (LBS) has maintained its resilient performance in the property sector. The commitment and dedication of our team ensured that the Group continued to deliver a commendable economic performance, actively engage in social issues and carry out its environmental conservation activities. For over 30 years, LBS has advocated and upheld the role of a responsible business entity, a role that has become synonymous with the LBS brand. Moving forward, the Group remains committed to upholding and expanding its sustainability initiatives across the organisation.

From initiating our first report in 2016, our sustainability reporting journey has highlighted the healthy improvement of the Group's approach and adoption of sustainability.

Our findings from the sustainability reporting process have served to guide our efforts in enhancing our execution and our approach to monitoring and evaluating sustainability matters. Our Sustainability Committee has been an integral part of our sustainability journey as they have been the main drivers in oversight for monitoring, managing and addressing primary sustainability risk within the organisation. Additionally, they also played a significant role in aligning and directing our efforts to meet our intended targets and objectives.

Throughout the unprecedented operating conditions of the year in review, the Group dedicated its efforts to navigating through the turbulent economic conditions while sustaining its core value of contributing to the economic, environmental and social perspectives. Notwithstanding any adverse effect from the current circumstances, we will continue to make headway and focus on improving our sustainability practices as we work towards a new normal.

This year, LBS proudly presents our fifth Sustainability Report that highlights our sustainability achievements and our way forward as we brave the new normal.

OUR REPORTING APPROACH

This Sustainability Report for the year 2020 has been prepared in reference to the Global Reporting Initiative (GRI) Standards 2016 and adheres to sustainability reporting requirements set forth by Bursa Malaysia. The report covers the following content:

- Stakeholder inclusiveness – capturing the stakeholder's expectations and concerns;
- Sustainability performance – presenting the performance aligned with the wider context of sustainability;
- Material matters – prioritising the key sustainability material matters identified by the stakeholder group; and
- Completeness – covering all reporting requirements relevant to the Group and aligning with the requirement context.

Materiality matters that are crucial to LBS are highlighted in this report as follows:

- GRI 201 Economic Performance;
- GRI 205 Anti-Corruption;
- GRI 307 Environmental Compliance;
- GRI 404 Training and Education;
- GRI 405 Diversity and Equal Opportunity;
- GRI 413 Local Communities; and
- GRI 416 Customer Health and Safety.

For more information on the materiality disclosures, please refer to the Materiality Matrix on page 112.

REPORTING PERIOD

This report covers LBS' sustainability performance and progress for the financial year ("FY") - 1 January 2020 to 31 December 2020, unless otherwise stated.

SCOPE AND BOUNDARIES

This report encompasses sustainability data collected from the entities of LBS Bina Group Berhad ("LBS"), including the property development division; LBS Bina Holdings Sdn Bhd's Head Office and our construction division, MGB Berhad's Head Office and the construction sites in Malaysia where MGB is the main contractor.

The data from LBS Bina Group's China-based subsidiaries are excluded from this report due to differing statutory requirements.

FEEDBACK

We welcome your views, comments or feedback, which may be directed to:
Name: Irene Chia

Email: cs@lbs.com.my

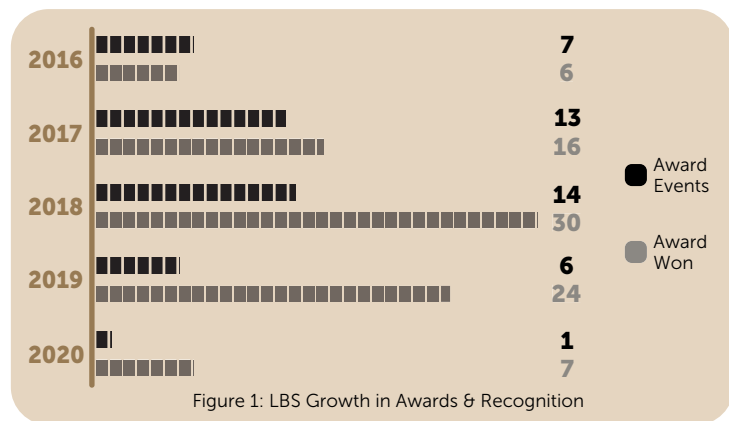
Telephone: +603 7877 7333

Fax: +603 7877 7111

Address: LBS Bina Group Berhad
Plaza Seri Setia Level 1-4
No. 1, Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia

AWARDS & RECOGNITION

The Group's achievements within the field of property and construction were acknowledged with the various awards and accolades that LBS received during the year. These acknowledgements are also testament to the Group's efforts in upholding our corporate social and environmental responsibility. A summary of the awards received by LBS over the past five years can be seen in Figure 1.



For the current reporting period, LBS received a total of seven awards from a single awards ceremony. Due to the restrictions caused by the COVID-19 pandemic, there was a limit to the number of award events that took place in FY2020. We received the following distinguished awards in regard to our performance on the economic, environmental and social fronts:

StarProperty Awards 2020

1. All-Stars Award - Best Overall Champion - LBS Bina Group Berhad
2. StarProperty Consumers' Choice Award
3. The Creative Space Award - Residensi Bintang Bukit Jalil (Excellence)
4. The Family-Friendly Space Award (High Rise) - BSP21 (Excellence)
5. The Starter Home Award - KITA Bayu (Honours)
6. The Neighbourhood Award (Below 500 Acres) - LBS Alam Perdana (Honours)
7. The Cornerstone Award - Rentak Perdana (Merit)



SUSTAINABILITY COMMITTEE CHAIRPERSON'S MESSAGE GRI 102-14



“On behalf of the Board and Sustainability Committee, I am delighted to share with you LBS Bina Group Berhad’s Sustainability Report for 2020. This report marks our fifth year in reporting on our sustainability initiatives and fairly represents our humble path towards our primary sustainability goals. The journey has been a true reflection of the Group’s belief that we continuously strive to be an aspiration to our peers and to the industries we are influencing. We believe in our principles and approach, which have led to key achievements during a year that was filled with challenges and uncertainties to overcome. With that, I am also pleased to present our key highlights in the following sections of this report.**”**

GOVERNANCE

It has been crucial that the Group maintains an overarching framework of good governance over our operations. We believe that such a framework establishes a true foundation for any business to grow and prosper. In complementing this principle, we conduct reviews on our policies on an annual basis to ensure that they consistently address the ever-changing risks and challenges we face. Our conduct and governance structure are also developed to adhere adequately to applicable laws, regulations, requirements and guidelines, which include the Malaysian Code of Corporate Governance, Bursa's Listing Requirements, the Securities Commission Act and other local laws. Additionally, we also stringently observe a zero tolerance policy against any improper conduct throughout our organisation. This is supported alongside our structured whistleblowing procedures, which allow us to efficiently identify and effectively address any unethical actions within the Group. For any such instances, the Group takes decisive strong actions without any leniency on the parties who are implicated with the misconduct.

SOCIETY

As an organisation, we do acknowledge the impact that our operations have on the surrounding communities. Hence, in recognising that fact, we consider the element of people (i.e., employees, local communities) to be the most important cohort within our sustainability framework. The Group wilfully invests, wherever necessary, that ranges from sustaining the well-being of our employees to efforts in helping the less fortunate communities. The Group's sustainability goals are supported by our LBS Foundation, which is tasked to formalise our Corporate Social Responsibility ("CSR") approach within four main integrated pillars – Health, Education, Environment and Community. Our efforts on this front were exceptionally key during the COVID-19 pandemic when we observed the impacts it had to all aspects of our daily lives. We contributed wholeheartedly and diligently where possible to those in need throughout that period. Even though the industry was impacted to a certain extent from the pandemic, LBS remained resilient in ensuring that our assistance during the trying times became one of our focal points.

ENVIRONMENT

As we continue to develop our outreach regionally, we acknowledge that the direct impact of our operations to the environment also expands. We recognise the need to sustain our energy and resource utilisation as well as to limit any other adverse impact on biodiversity and the climate due to our developments. At the same time, such recognition has driven the Group to reassess and reconsider how we operate as to limit potential



**DATO'
LIM MOOI PANG**
LBS Sustainability
Committee Chairperson

disruption to our operations' status quo. Building on our current foundation, we will continue to expand and enhance our adoption of best practices through a process of on-going monitoring and implementation of effective environmental initiatives. Furthermore, we also aim to establish further accountability and transparency in our performance with extended and more diverse data disclosures in the future.

SUMMARY

While we are still wading through the effects of the COVID-19 pandemic, the Group will continue to be vigilant and determined in pursuing our sustainable objectives through our Economic, Environmental, and Social (EES) efforts. As the world moves forward into a new normal, we aspire to achieve further success in bringing positive impacts to our stakeholders by way of our sustainability matters. Hence, I hope you find this report meaningful and that it will inspire you towards strengthening our collaborative relationship. This report aims to be informative and deliver a fair and balanced view of our position and performance on the identified material matters for the year.

Sustainability Report (Cont'd)

STAKEHOLDER ENGAGEMENT GRI 102-40, 102-42, 102-43, 102-44

From the beginning of our sustainability journey, our stakeholders have played a crucial part in shaping our approach and direction on the subject matter. We took into consideration what is key to our stakeholders as crucial aspects for LBS to acknowledge and proactively improve the way we address such matters. In continuation of such efforts, we ensured that engagement with our stakeholders remained consistent throughout the year, aiding us in further strengthening our Economic, Environment and Social (EES) sustainability parameters in driving our initiatives.

The table below outlines how the Group engages with its key stakeholders and the frequency of engagement during the reporting period.

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Issues of Concern
Shareholders / Investors	<ul style="list-style-type: none"> Annual General Meeting Annual Report Quarterly Financial Report Analyst Briefing Extraordinary General Meeting Regular Shareholder Communication Announcement on Bursa Malaysia and Corporate Website 	<ul style="list-style-type: none"> Annually Annually Quarterly As and when needed As and when needed Monthly, one-to-one and group As and when needed 	<ul style="list-style-type: none"> Economic Performance Corporate Governance Anti-Corruption
Employees	<ul style="list-style-type: none"> Annual Performance Appraisal Briefings and Trainings Events, Celebrations and Sports Management, Operational and Committee Meetings Townhall Meetings 	<ul style="list-style-type: none"> Annually Periodic Weekly and Periodic Weekly and Periodic Half-yearly 	<ul style="list-style-type: none"> Training & Education Employment Occupational Health and Safety Market Presence Local Communities Diversity & Equal Opportunities Anti-Corruption
Customers	<ul style="list-style-type: none"> Feedback Channels such as Emails, Phone Calls and Hotlines Corporate Website and Social Media Channels Product Launches and Roadshows Marketing and Promotional Programmes and Events 	<ul style="list-style-type: none"> As and when needed As and when needed As and when needed As and when needed As and when needed 	<ul style="list-style-type: none"> Economic Performance Corporate Governance Procurement Practices Customer Health & Safety Anti-Corruption



Government / Regulators	<ul style="list-style-type: none"> Income Tax Filing Annual Return Official Meetings and Visits Industry Events and Seminars 	<ul style="list-style-type: none"> Annually Annually As and when needed As and when needed 	<ul style="list-style-type: none"> Corporate Governance Anti-Corruption
Suppliers / Contracts	<ul style="list-style-type: none"> Product Launches and Roadshows Meetings and Site Visits Supplier Assessment System Briefings and Trainings 	<ul style="list-style-type: none"> As and when needed As and when needed As and when needed As and when needed 	<ul style="list-style-type: none"> Corporate Governance Procurement Practices Anti-Corruption
Local Communities	<ul style="list-style-type: none"> Community Outreach and Development Programmes Strategic Partnerships Charitable Contributions Corporate Website and Social Media 	<ul style="list-style-type: none"> Periodic Upon Mutual Agreement As and when needed As and when needed 	<ul style="list-style-type: none"> Local Communities
Media	<ul style="list-style-type: none"> Press Releases Site Visits Interviews Events Website and Social Media 	<ul style="list-style-type: none"> As and when needed As and when needed As and when needed As and when needed As and when needed 	<ul style="list-style-type: none"> Corporate Governance Customer Health and Safety

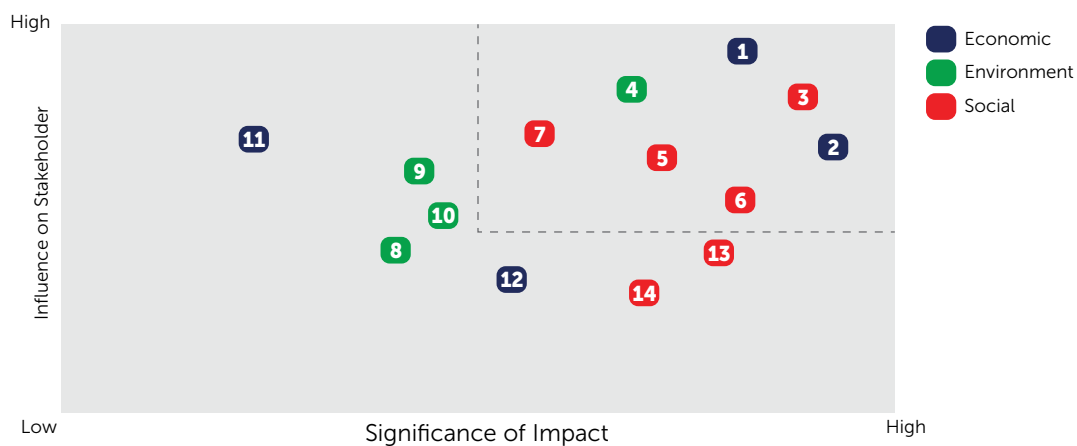
Sustainability Report (Cont'd)

MATERIALITY MATRIX GRI 102-47

For the current reporting period year, LBS performed a general review on the Materiality Matrix by taking into consideration the development of each key sustainability matter from the perspectives of our stakeholders' concerns and impact on the Group's operations. The exercise aims to ensure that the key sustainability matters that were identified in prior years remain a priority to LBS. At the same time, we consider the inclusion of any additional disclosures that may be a priority during the current year.

Through the exercise, a new sustainability topic, i.e. Anti-Corruption was identified as key and included within this year's matrix as a reinstatement of the prior Corporate Governance¹ topic. As for the remaining sustainability matters, they were maintained in line with the material assessment exercise conducted in 2018 as we opined that the topics were still crucial and fundamental for the Group to focus on its strategies on during the year in review.

Hence, there is a total of 14 sustainability matters identified, with seven matters noted as material topics, showcased in the diagram (matrix) and table below.



MATERIAL SUSTAINABILITY TOPICS		IMPORTANT SUSTAINABILITY TOPICS	
1	GRI 201: Economic Performance	8	GRI 302: Energy
2	GRI 205: Anti-Corruption	9	GRI 303: Water
3	GRI 416: Customer Health and Safety	10	GRI 306: Effluents and Waste
4	GRI 307: Environmental Compliance	11	GRI 204: Procurement Practices
5	GRI 413: Local Communities	12	GRI 202: Market Presence (Local Hiring)
6	GRI 404: Training and Education	13	GRI 401: Employment
7	GRI 405: Diversity and Equal Opportunity	14	GRI 403: Occupational Health and Safety

During the year in review, LBS considered and included disclosures on the sustainability topic of Anti-Corruption. This is in line with the Group's active efforts to advocate its strong stance on zero tolerance against any forms of bribery and corruption. The remaining key topics serve to show the progress and improvement that the Group has achieved in the initiatives that it continues to implement. All disclosures pertaining to Energy and Occupational Health and Safety related sustainability matters are made by our construction division, MGB Berhad, due to the relevancy of the disclosure to their main operations.

Our persistent and dedicated efforts in driving sustainability measures are highlighted in the following sections of the report with accompanying performance data and management approaches.

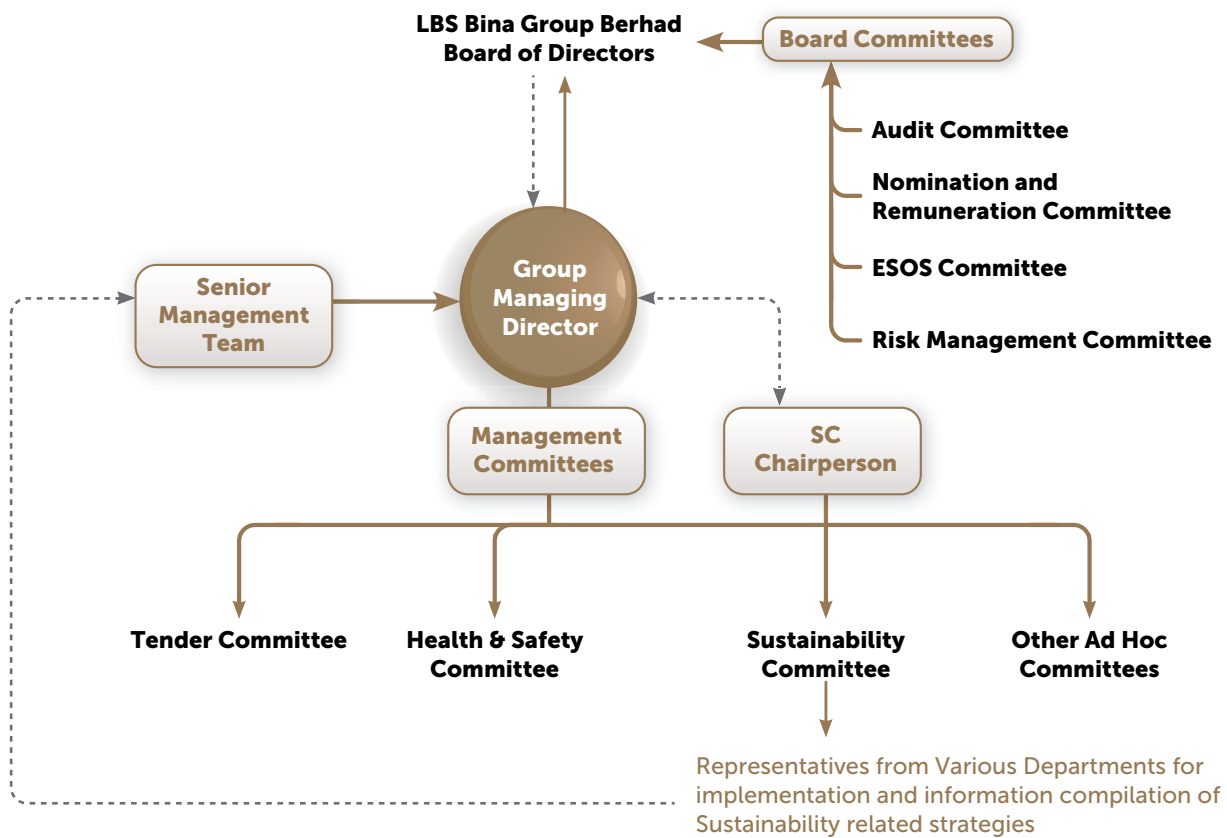
For further details on our disclosure on Corporate Governance, please refer to page 134 of the Annual Report.

CORPORATE & SUSTAINABILITY GOVERNANCE GRI 102-18 to GRI 102-37

LBS Bina Group Berhad Governance Structure

LBS' Sustainability governance structure has been the foundation and essence of the Group's sustainability success. With a solid foundation and a cohesive framework, our business is set to thrive under any circumstances. Since its inception three years ago, our Sustainability Committee ("SC") Champions have been driving numerous initiatives that have been integrated into our business operations. In addition to these initiatives, our SC Champions oversee the sustainability strategy and all related communications with the Heads of Departments. The diagram below demonstrates the corporate and sustainability governance structure established in LBS.

Figure 2: LBS Corporate and Sustainability Governance Structure



The figure above also represents the flow of communication between the SC and higher management comprising the Board, the management and the company as a whole. The entire system is the representation of LBS' corporate and sustainability governance structure.

By and large, the SC is a committee that is represented by individuals from various departments in LBS. These representatives are appointed by the Group Managing Director (MD) under the guidance of the SC Chairperson (who is also appointed by the Group MD). As an Executive Director and Board member, the SC Chairperson is at the highest level of decision making on sustainability matters and has the authority and access of relaying the sustainability agenda directly to the Board.

In addition, the SC will review EES policies and related matters every six months, with the exception of any urgent ad-hoc issues or circumstances. To this end, the SC officially gathers twice a year with additional meetings organised on a needs basis. In consideration of the pandemic, we adopted changes in the way we operate to ensure that such meetings were conducted with the same frequency (i.e. virtually for certain sessions) during FY2020.

For further details on Corporate Governance, please refer to page 134 of the Annual Report.

Sustainability Report (Cont'd)

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED GRI 103-1, 103-2, 103-3, 201-1



Why It Matters

In reflecting on our sustainable economic performance and contribution, we have always acknowledged the key significance of our direct economic value generated and distributed. With that in mind, LBS considers it of the utmost importance that we continuously provide quality services and products to our stakeholders, be it to our shareholders, employees, customers, suppliers or the extended community surrounding our operations. The Group takes pride in being a responsible property developer as we constantly strive to grow as an astute, trustworthy and dependable brand. With that, efforts on expanding our business have always been targeted in aligning our products with the market's needs and demands in line to our virtue on quality and worthiness.

How We Approach It

In line with the Malaysian Government's directive on affordable housing (i.e. selling price below RM500,000), LBS has devoted our platform to serving this critical market segment, providing the majority of our projects within the specified price range. To further manifest our commitment, LBS participates in the government-led House Ownership Campaign ("HOC"), which has been extended to 31 May 2021. The scheme exempts stamp duty and provides discounts to reduce the financial burden of purchasing a house, which assists many Malaysians, particularly those without a property under their names, to become homeowners. Our approach to such developments is upheld by our efforts to ensure that we provide quality products at affordable prices while retaining adequate profits. These efforts are based on the following key pillars:



Engaging with sales agents



Expediting construction works



Minimising house defects



Providing money lending services to property purchasers mainly on differential sums



Offering more rebates, discounts and incentives to entice purchases; and



Achieving sales and profit targets

In 2020, the Group observed the effects brought by the COVID-19 pandemic, which had disrupted the landscape of businesses all over the world. From that initial acknowledgement, we adopted counter measures and adapted our business approach to the circumstances.

One key measure, which paid dividend during that period, was our constant efforts in supporting the use of digital tools and platforms within our organisation. In response to the movement control measures (i.e. MCO, CMCO, RMCO), during the year, we have expanded our leverage on existing online platforms to engage with potential customers, which include virtual reality (VR) showrooms, live streaming talks, digital contests and social media advertisements, among others. This has enabled us to move seamlessly in continuation of our efforts to support and grow our customer base. With these measures, LBS continued to garner sales throughout the reporting year.

Examples of Digital Campaigns in 2020

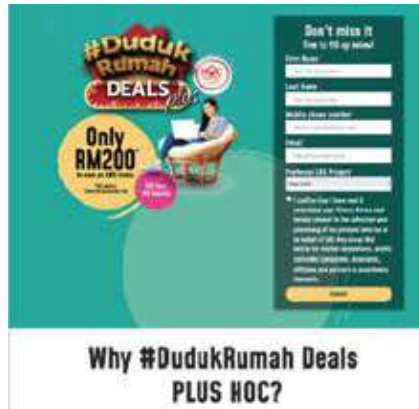
Fabulous 2020 Marketing Campaign

Launched in January with RM1 million worth of lucky draw prizes to be won. This campaign allows us to reward our homebuyers so that owning a home becomes a more delightful experience.



#DudukRumah Deal Plus

Launched in April, the campaign allows purchasers to book a unit of LBS property with just RM200. This campaign was rolled out via various digital platforms which includes virtual showrooms, website, email, WhatsApp, Facebook, Instagram and SMS.



Merdeka Digital Campaign

Rolled out in August and September to generate brand awareness and create engagement with a new set of target audience.

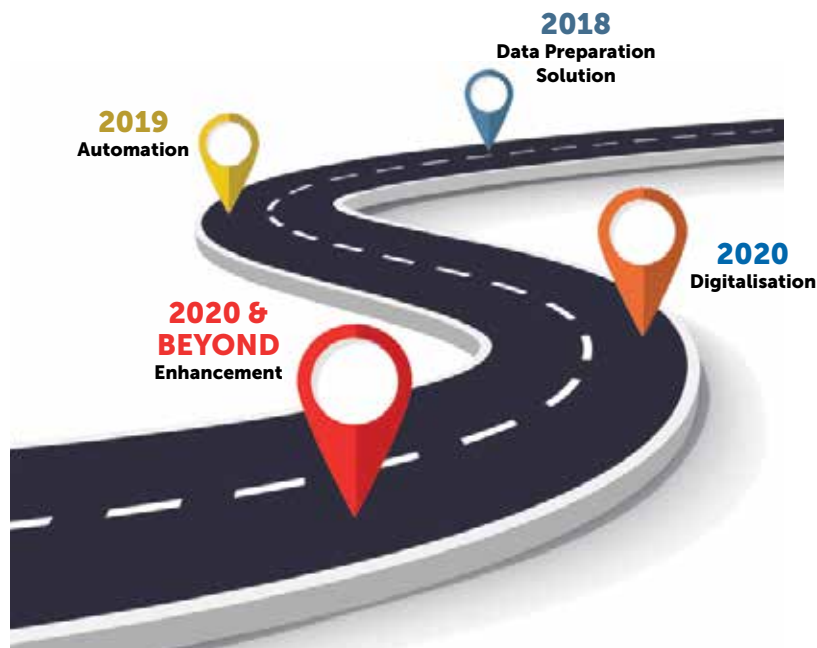


In furtherance to our efforts on digitalisation and information technology, we have also embarked on a Robotic Process Automation ("RPA") project during the year in review. This project, which was supported by a third-party consultant, was aimed at developing automation for certain routine and administrative procedures in our Enterprise Resource Planning ("ERP") system. The objective was to assist us in achieving greater productivity and efficiency in time and resource management when executing operational processes.

For the current reporting period, we have continued with our digital transformation and RPA initiatives pertaining to our key operations and procedures within the organisation. As part of this journey, the RPA project and other digital upgrades will continue to improve and streamline processes within LBS to ensure maximum efficiency and effectiveness of our systems, practices and its supporting controls.

Sustainability Report (Cont'd)

Figure 3: LBS Digital Transformation Roadmap FY2018 - FY2020



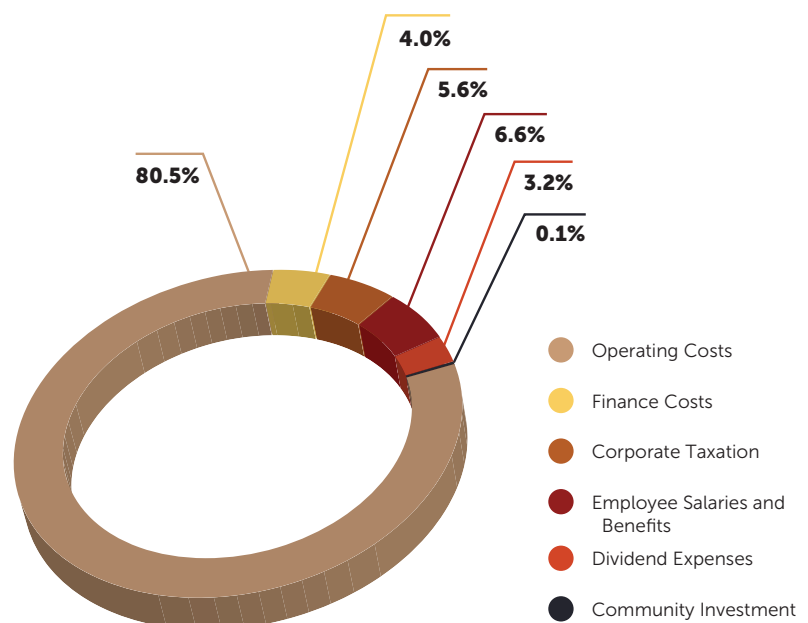
Our economic performance is monitored by our wide group of internal stakeholders, which comprises our Board of Directors, Key Senior Management representatives and our Heads of Departments. Performance is measured and reviewed consistently throughout the year based on a series of key performance indicators. Such indicators are discussed at monthly financial results briefings, quarterly management evaluations, project site inspections by project teams and directors, regular sales and project meetings, feasibility study meetings (i.e. cost considerations) etc.

Guided by the support of our internal auditors, LBS has managed to leverage such reviews to uphold high standards in our business conduct and improve on our operational efficiency and effectiveness. External auditors are also engaged on an annual basis to review and assure our financial performance.

Our Performance Data

Figure 3.1: LBS Economic Value Distributed for FY2020

In the reporting period, LBS generated a total economic value of approximately RM1.1 billion, which is notably lower than 2019 results, partially due to the economic challenges accompanying the COVID-19 pandemic. From that total, 91.8% was distributed to support the business operations, as operating and finance costs, corporate taxation and employee salaries and benefits, with the remaining 3% (around RM32.5 million) for dividend expenses and 0.1% (around RM1.4 million) invested towards our community contribution. With that, the Group still managed to retain an economic value of approximately RM54.7 million. A further breakdown of the economic value distributed is illustrated in Figure 3.1.





Sustainability Report (Cont'd)

ANTI-CORRUPTION GRI 103-1, 103-2, 103-3, 205-1, 205-2



Why It Matters

LBS believes integrity and strong business ethics are crucial for our long-term success in creating and upholding trusts and confidence in our stakeholders. Thus, as we place high consideration on issues pertaining to corruption and bribery, we endeavour to fully adopt and further strengthen our commitment and practices on anti-corruption beyond the requirements needs. This is to ensure that the Group is well equipped in managing and mitigating this potential risk with the relevant safeguards within our operations.

How We Approach It

In demonstrating the Group's commitment in leading this, we have embarked on an exercise to implement adequate safeguards and procedures in line with the introduction of stringent anti-corruption laws such as the recent enforcement of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and any of its amendments or re-enactments.

Hence, as a start, a training on the MACC Act Section 17 was conducted in December 2019 for our staff to ensure an initial approach towards building awareness of the act and its associated requirements. Since then, we have developed an Anti-Bribery and Corruption Policy, which has been duly approved by the Board. The policy contains guided measures and control points for the Group to refer to when dealing with acts of receiving and/or giving gifts, hospitality and entertainment, sponsorship and donation contribution, conflict of interest and among others. To socialise the documents, the policies are made available through our corporate website as well as the Employee Handbook, and notification emails on said policy have been sent to all LBS employees.

Further to the training held upon the introduction of Section 17A of the MACC, additional seminars with the purpose of strengthening the awareness in this aspect will be organised accordingly in the coming years. The Company has also included corruption risk assessments in the forthcoming Internal Audit Planning for the following financial year to strengthen our resilience to corruption.

In complementing the aforesaid policy, we have also reviewed and updated our whistleblowing policy during FY2020. The effort was to ensure that our stipulated guidelines remained adaptable and adequate for its intended purpose. The policy which clearly outlines the general process flow of managing whistleblower's report, the investigation process, details on reporting channels, as well as confidentiality and protection clauses, provides an avenue to ensure that all sources of feedbacks find its way to our attention for timely and prompt action when needed. Similarly, the updated version of this policy is published onto our website for the perusal of our stakeholders.



Our Performance Data

For our current year's performance, LBS has initiated an exercise to provide every employee the necessary training on our Anti-Bribery and Corruption Policy, in which each employee is required to acknowledge a declaration upon completing the training. As for FY2020, we managed to achieve a 100% declaration from our Board of Directors and we are currently pursuing such accomplishment with the rest of our employees, i.e., from our Senior Management till the Non-Executive employees. This is further complemented with our plan to communicate the said policy to our external stakeholders via electronic means alongside a request for their confirmation/acknowledgement via a similar platform, for example, through an e-survey.

To further demonstrate our commitment, the Group also plans to enhance the transparency of our disclosures on how we manage bribery and corruption related matters. This will include regular disclosures on our initiatives and actual performance being published on our corporate website. With these measures, we hope to strengthen the trust and confidence of our stakeholders.

Sustainability Report (Cont'd)

ENVIRONMENTAL COMPLIANCE GRI 103-1, 103-2, 103-3, 307-1

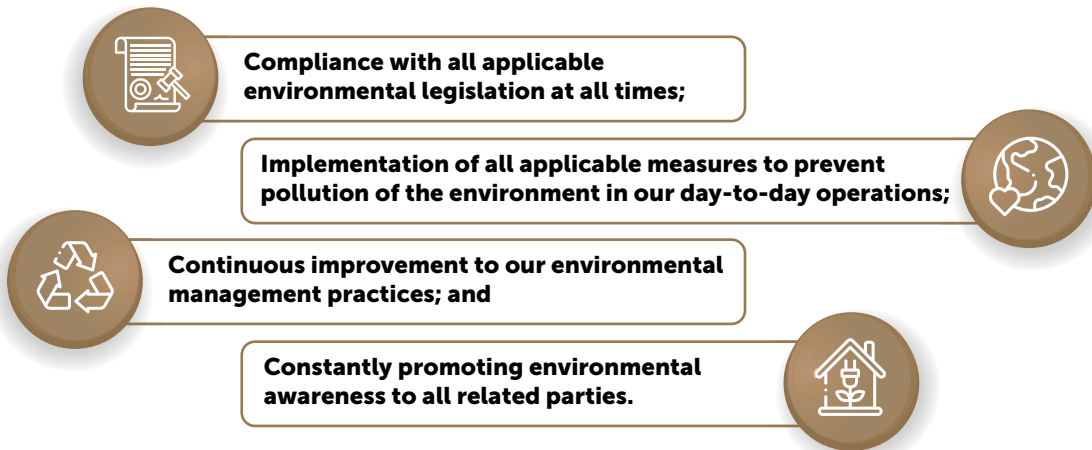


Why It Matters

Central to how LBS operates is ensuring that we minimise the adverse impacts of our operations on the existing localities where we develop our properties. This includes ensuring that we mitigate and reduce any potential environmental impacts our business operations might have. Our efforts have been consistently guided by our goal to create sustainable homes for our customers and the communities where we operate in. As such, we consider it our responsibility to maintain compliance with applicable environmental laws.

How We Approach it

At LBS, we are fully committed to reducing the environmental impacts of our business. Our approach to environmental compliance is guided by a robust Environmental Policy, which has been established in accordance with standards determined by the Department of Environment (DoE). Applied across our Group, our Environmental Policy is shaped by four key components:



In order to fulfil the foregoing components of our Environmental Policy, LBS allocates a budget specifically dedicated to environmental management for all our projects. Such duties related to environmental management are primarily executed by the Environmental Performance Compliance Committee (EPMC). This Committee provides oversight for all environmental compliance matters across LBS, including all projects undertaken by the Group. Meeting on a quarterly basis or as needed, the Committee is comprised of a diverse group of qualified professionals who work to ensure utmost compliance with applicable environmental laws. Personnel within the EPMC includes the main contractors, accredited laboratory, environmental consultants and engineering consultants.

Duties related to the environmental management of our projects are also carried out by an appointed Environmental Officer. An Environmental Officer is responsible for overseeing environmental aspects of any given project, with typical tasks including the engagement of project site personnel and the inspection of project site activities to ensure compliance with environmental laws and regulation. Environmental Officers also produce periodic reports on their findings. Such findings or observations are then reported to the EPMC for deliberation and initiation of actions, where necessary.

In addition to these measures, all our projects undergo thorough vetting before commencement, including an assessment of potential environmental impacts. The assessment also addresses the projects' adherence to the DOE's requirements, which entails submitting an Environmental Impact Assessment (EIA) before the start of any project. The EIA was conducted by external Environmental Consultants that were commissioned to assess the impact of our planned projects on the environment around various subject areas, such as pollution, land value and geology.

Summary of Environmental Related Issues and Mitigation Measures identified through EIA for the Mixed Development Project in Sepang, Selangor.

#	Environmental Related Issues	Key Mitigation Measures
1	Soil Erosion	<ul style="list-style-type: none"> • Provide protection or restorative covers such as vegetation and plastic sheets on exposed areas; • All earthworks exceeding 1.5m in height or depth will not be cut or cleared until the site is ready to be worked; • Greeneries will not be cut or cleared until the site is ready to be worked, whereby the cleared ground will be refitted with turf (3 months – dry season / 1 month – wet season) after commencement of earthworks.
2	Water Quality	<p>Mitigation measures for this environmental issue are to ensure the Group undertakes the necessary provisions in ensuring proper flow and quality of water discharge, which includes among others:</p> <ul style="list-style-type: none"> • Diesel storage tanks are to be sited within a concrete bunded area; • Separate stores to be provided for chemicals (oils, paints etc.) and scheduled wastes equipped with secondary containment; • Establishment of an Emergency Response Plan (ERP); • Design of primary and secondary outlets; • Proper maintenance of the detention pond and sewerage treatment plant.
3	Air Pollution	<p>Actions undertaken for this environmental issue are aimed at reducing the circulation of air pollutant such as dust, as exemplified below:</p> <ul style="list-style-type: none"> • Watering of unpaved roads within the project site with an increase frequency during hot and dry periods; • Dusty stockpile materials to be kept and maintained in damp conditions; • Provision of wash through and wheel washing at the main entrance of the project site and mid-section; • Truck loads carrying dry materials (cement, sand, aggregate, soil etc) to and from the construction site are to be covered with tarpaulin.
4	Waste Management	<p>In order to ensure the proper management and disposal of waste generated from our project sites, the following is a summary of our key course of actions:</p> <ul style="list-style-type: none"> • Good housekeeping practices to be upkept by the Contractor at all times; • General construction waste to be recycled on site as much as possible; • Unsalvageable demolition waste to be stockpiled at a designated site and sold to salvage yard operators or other parties that are equipped at recycling the materials; • Scheduled waste to be stored in suitable containers under a cover with provisions that prevent leakage or spillage into the environment; • Storage area for scheduled waste will be secured and be provided with secondary containment for control of spillage.
5	Noise Generation	<p>Measures for this issue are to ensure the reduction of harmful noise generated due to work performed and activities on the project sites, which includes among others:</p> <ul style="list-style-type: none"> • Construction activities to be confined to day time (7am – 7pm); • Use of acoustic cover or screen for noisy machinery is to be implemented to reduce noise at source; • Metal hoarding will be erected around the project site.

Sustainability Report (Cont'd)

Collectively, our approach across projects aims to ensure that relevant stakeholders work together to structurally and scientifically assess and monitor potential environmental impacts and other sustainability-related matters throughout the lifecycle of a project – from planning to project management.

Managing Environmental Impact

As a Group, we are also proactive in our efforts to ensure efficient energy consumption, especially at our Headquarters. Our management of energy entails measures are aimed at increasing energy efficiency, such as the adoption of the Variable Refrigerant Flow (VRF) System at our Headquarters. Our use of the VRF System enables us to use energy more efficiently and consequently reduce our footprint on the environment. Other measures include regular communications with our employees to promote best practices in conserving energy, such as switching off lights and appliances when not in use.

In 2020, the total annual electricity consumption for the Group was 585.0 MWh compared to 664.6 MWh in 2019 and 598.1 MWh in 2018.

3-Year Electricity Consumption Trend

2018	2019	2020
598.1 MWh	664.6 MWh	585.0 MWh

As we move forward, we will continue to adopt forward-thinking solutions to ensure that our energy consumption both meets our business needs whilst minimising our impact on the environment.



As we move forward, we are wholly committed to ensuring that our impact on the environment is mitigated through the adoption of innovative systems and practices, and we will continue to proactively improve our compliance with applicable environmental laws and regulations.

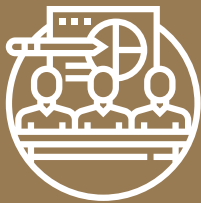
Our Performance

Every year, external parties audit our Group in order to assess our environmental compliance. For the reporting year of 2020, we noted one minor instance of non-compliance as identified through a third-party environmental audit exercise. The issue which was pertaining to the stipulated threshold for wastewater quality, was rectified by the Group through its immediate actions of upgrading its filtration system (via the sediment basin) to ascertain a higher quality of wastewater prior to its discharge. Overall, the rectification was successfully completed within seven working days from the date of the inspection.



1 incident of non-compliance with environmental laws and regulations

TRAINING AND EDUCATION GRI 103-1, 103-2, 103-3, 404-2



Why It Matters

At LBS, we recognise that our people play a crucial role in ensuring the long-term success of our business. Through investing in our employees, we aim to develop their capabilities, which will in turn, contribute to the productivity of the Group. We provide them with vast learning opportunities through our training programmes, as to support their career growth and guide them to achieve their aspirations. Leading this approach, we strive to build a high-performing and diverse workforce that drives the competitiveness and resilience of the organisation in the property development sector.

How We Approach It

Each year, the Human Resources Department develops an Annual In-house Training Plan based on employees' responses on the Training Needs Questionnaire Forms. The data collected is analysed to identify the training needs in order to equip our employees with the required skillsets to improve their job performance or to take on additional responsibilities towards the potential next designations on their career trajectories. Based on the training needs analysis for FY2020, the Group prepared a comprehensive set of development programmes covering a wide range of topics, including software trainings, emergency response plan, environmental management and work etiquette. In response to the COVID-19 pandemic, we have also provided additional training sessions for our employees to provide any assistance and guidance in dealing with the impact and aftermath of the unprecedented circumstances.

For each training programme, the management team shall work with the Human Resources Department to decide the participants list by nominating employees that could benefit the most from such trainings based on their job scope and the topic covered. As part of the Group's initiative to support continuous learning and development, Training Requisition Forms are also made available for employees to directly indicate their interests in any external training or development programmes. Such requests are subjected to the review and approval from their respective Head of Department(s) and as well as the Executive Director; upon which the employees are permitted to participate.

To ensure the effectiveness of our training programmes, we collect feedback from employees via online Training Evaluation Forms after each training session. The responses collected through this channel allow the Human Resources Department and/or the Head of Department(s) to assess on the overall effectiveness, relevancy and significance of the trainings organised. Results from such analysis are then presented to the Executive Director for review as well as reform (where necessary) on the approach and strategy towards the Group's training initiatives.



In support of high performing employees, the Group had planned to launch a talent pool programme in 2020 to focus our efforts on optimising and strengthening the skills of these recognised talents within our organisation. Nonetheless, due to the unforeseen situation brought by the pandemic in 2020, the introduction of the programme had to be postponed. We have since redeveloped our approach towards this programme and are currently targeting to have it initiated within the following year of 2021.

Sustainability Report (Cont'd)

Our Performance

In 2020, we have invested close to RM16,350 in 74 internal and external training programmes. As a result, we have recorded more than 1,140 training hours for 151 employees from various departments and job levels. Nonetheless, even as the Group observed a reduction in our total training hours and investment in FY2020 as compared to FY2019 (where a total of RM80,000 was invested for 47 training programmes totalling to more than 2,000 hours), we still managed to organise a high number of trainings in the midst of the effects of lockdowns throughout the year. Moving forward, the Group will be better equipped in improving our performance on training and development from the lessons learned and skills adapted from what we have encountered during the year.

Figure 4 shows the training programmes we have offered under the four training categories – technical, soft skill, development and safety.



Figure 4: Examples of Training Programmes for LBS Employees in 2020 based on Training Categories

DIVERSITY AND EQUAL OPPORTUNITY GRI 103-1, 103-2, 103-3, 405-1, 405-2



Why It Matters

We believe that embracing diversity and inclusion is vital in creating a positive and motivating work environment. The differences in background and experiences among our employees stimulate innovative thinking and encourage creative ideas. Hence, LBS demonstrates our commitment to diversity and inclusion at the workplace by ensuring equal opportunities for all employees irrespective of their race, gender and religious background.

How We Approach It

We continuously foster an inclusive and diverse culture to provide a conducive work environment for our employees. The scope of adoption of diversity and inclusion by the Group covers talent recruitment, compensation and benefits, learning and development, as well as employee engagement.

In the area of talent recruitment, hiring decisions are made strictly based on the competencies and attitude of the candidates, regardless of their gender, age and race. To attract top talents and retain the existing workforce, the Group offers comprehensive workforce benefits and competitive remuneration to all employees. We also encourage our employees to achieve their fullest potential by introducing performance-based rewards. Fair and equal learning opportunities are provided to employees at all job levels to help them advance in their career paths and realise their personal goals.

The abovementioned initiatives have largely supported our approach to being a responsible and an all-inclusive employer. From the perspective of gender diversity, we have maintained a balanced male to female ratio in all key positions from Board of Directors to Senior Management as illustrated in Figure 5. In furtherance to this, the Group ensures that we consciously practice our equal and fair allocation of opportunities when building our talent resources in an industry traditionally dominated by men.

With that, we also advocate transparency on such matters among our employees during our annual performance appraisal engagements. This platform is effectively utilised by employees to highlight their key concerns or constructive comments, which may include issues on equal opportunity and discrimination. Similarly, the Group also reaps benefits through such engagements as we get first-hand feedback which enables us to initiate key actions in a timely and effective manner. In addition, our whistleblowing channel also supports us in this cause, as it provides an alternative means of communication for issues which may require a certain extent of anonymity due to its sensitivity.

As for specific external initiatives, in line with our efforts in promoting the value of diversity and equal opportunities, we have also pursued the following:

1

LBS FOUNDATION

Initiatives undertaken by the Foundation are targeted at contributing back to the local communities through the four main pillars of Health, Education, Environment and Community. Advocacy on diversity is upheld within our initiative through the provision of free tuition to less fortunate children regardless of their race, religion or background at several locations, such as Sungai Way and Wangsa Maju.

2

INTERNSHIP PLACEMENTS

A programme started in 2018 is tailored at providing equal internship opportunities to any Degree and Diploma holders with the prospect of securing full-time positions at the end of the internship period. For FY2020, the Group accepted a total of 16 interns into various departments, providing them with on-the-job experience in a range of functions.

All of these measures are to ensure that the Group constantly maintains the awareness on matters relating to diversity and fair treatment as we pursue our overall objectives.

Sustainability Report (Cont'd)

Our Performance

For FY2020, the Company embarked on a unique journey in supporting our employees on our commitment towards equal opportunities and diversity. This was necessary as we learn how to adapt our activities and working behaviours under the new norms introduced by the pandemic. Nonetheless, the Group still managed to engage with our employees through virtual sessions as and when support, guidance and social interactions were needed.

Prior to the pandemic, sports activities including Zumba, Muay Thai, badminton and futsal were organised for our employees. Under the movement control orders, LBS initiated monthly internal online quizzes to keep our people engaged. The quizzes often featured rewards for the employees after each round. In collaboration with doctors from Columbia Hospital, stress management and health related talks were delivered to LBS employees to support overall wellness under the volatile times. Additionally, a virtual fire prevention awareness seminar was also conducted to provide our employees a refresher on the importance of key measures for such crucial precautionary measure. Once the situation improved, tokens of gratitude were provided to our employees during proclaimed celebratory days such as Breakfast Day and Thanksgiving Day.

In embracing our inclusiveness and commitment as a united organisation, we will continue our efforts in evaluating our measures and performance in creating a diverse and fair working environment. Figure 5 demonstrates our gender ratio, which is close to, and still moving towards the 1:1 parity. Figure 6 shows that our workforce also has diversity in regard to age, while providing younger employees with steep growth trajectories.

Figure 5: Percentage of Employees based on Gender for LBS

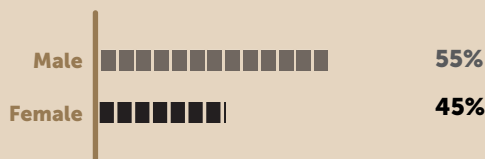


Figure 6: Percentage of Employees based on Age for LBS

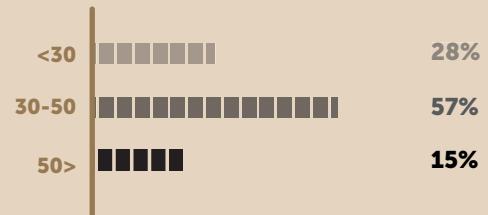
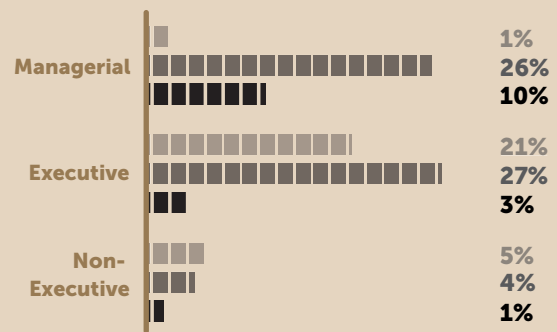


Figure 5a: Percentage of Employees per Employee Category based on Gender for LBS



Figure 6a: Percentage of Employees per Employee Category based on Age for LBS



Female Male

<30 30-50 >50

LOCAL COMMUNITIES GRI 103-1, 103-2, 103-3, 413-1



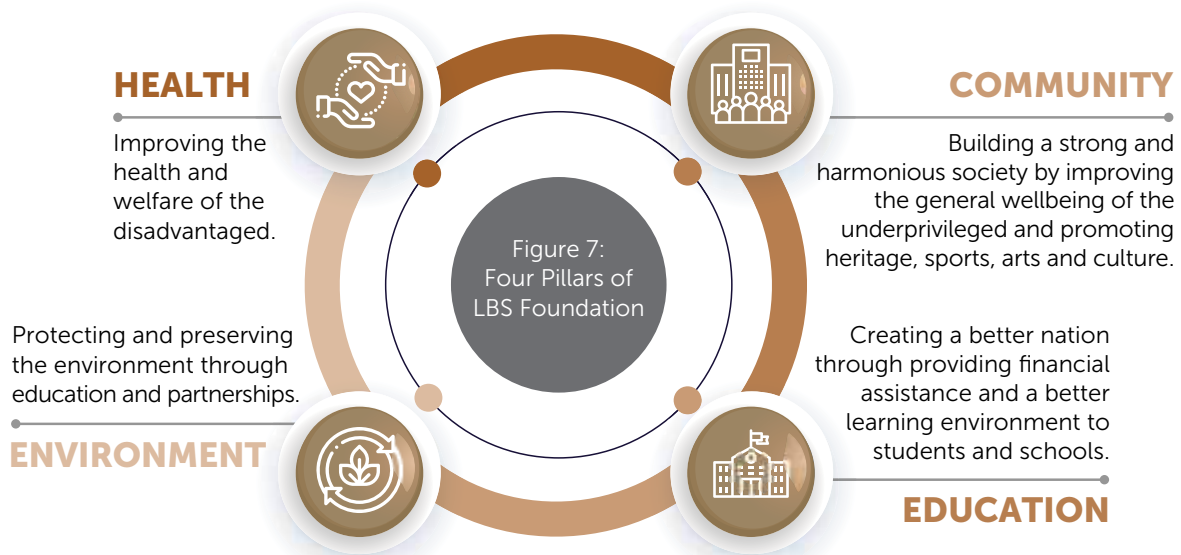
Why It Matters

Since our founding in the 1960s, LBS has remained fully committed and determined to ensure that we generate positive outcomes for the local communities where we operate. In addition to providing best-in-class construction services, our goal is to empower the people around us and advance the quality of life in our communities. We remain steadfast in our determination to create a better future for individuals, families and society as a whole.

How We Approach It

Our efforts to empower communities are coordinated through our LBS Foundation, which was established in 2015. Vital to realising our core belief of "Growing with Compassion", the LBS Foundation serves as a centralised body within our organisation to advance our Group's Corporate Social Responsibility ("CSR") programmes. Employees can also leverage this platform to participate in our CSR programmes and enact positive changes outside of their regular work duties.

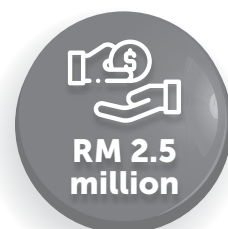
The LBS Foundation is guided by four pillars: Health, Education, Environment and Community. Shaped by these foregoing pillars, our CSR strategy involves participation in a range of initiatives aimed at generating positive outcomes for our communities. To ensure the quality of our CSR initiatives, all programmes are required to adhere to strict guidelines and undergo assessments as determined by the LBS Foundation's Board of Trustees. Such measures help to ensure the quality of our programmes and their alignment with the pillars and the strategy of the LBS Foundation. Through this established system, all responsible parties for CSR programmes are required to prepare a final report after the completion of each programme. The results of the final report will be subsequently evaluated by Executive Directors and the Board of Trustees of LBS Foundation.



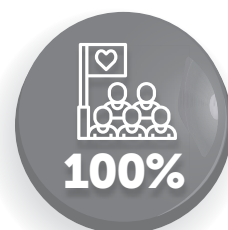
Sustainability Report (Cont'd)

Our Performance

In 2020, our Group was involved in over 50 CSR programmes with over RM2.5 million in donations distributed – a notable increase in the number of programmes and donations distributed when compared to the last reporting year. Additionally, we are pleased to report that all our CSR programmes this year continued to be 100% aligned with LBS Foundation’s four pillars of social contribution. Notable achievements include our initiatives executed through the LBS Sports and Recreation Club, in which LBS participated in fundraising efforts for Hospis Malaysia and Kiwanis. Furthermore, in light of the ongoing COVID-19 pandemic, LBS also donated approximately RM1 million to the National Disaster Management Agency (“NADMA”) COVID-19 Fund. The NADMA-COVID 19 fund was launched by the Prime Minister on 11 March 2020 to aid citizens who were most vulnerable to the impact of the Movement Control Order (“MCO”) enforced on 18 March 2020, particularly the B40 and the unemployed. Other CSR activities in the year include providing free examination preparation classes for underprivileged students, providing school aid for stateless children and contributing 3,700 trees in tree planting programmes.



Donations distributed in 2020



Programmes that achieved pillar relevance

Figure 8: Sample of CSR Programmes

<p>HEALTH</p>	<ul style="list-style-type: none"> • Covid-19 related donation • Donation of mask and hand sanitizer to orphanage house • Hearing Aid Programme • Programme for Pejabat Dun Sungai Air Tawar • Sponsorship of the 37th Kiwanis Treasure Hunt 2020
<p>ENVIRONMENT</p>	<ul style="list-style-type: none"> • Replanting of trees at the Pearl Villa community garden • Program Sungaiku • Purchase of plants for "Urban Bee Keeping & Tree Planting" • Sponsorship for Taman Rekreasi Paya Bakau Sejangkang • Tree Planting on Recycle • Tree Planting Programme • Tree Planting Project
<p>EDUCATION</p>	<ul style="list-style-type: none"> • Abundance Charity • CHS Band Concert 2020 • Education Fund • HIK Vision A.I Thermal Scanners • Sponsorship for Catholic High School TSLHS Table Tennis Cup
<p>COMMUNITY</p>	<ul style="list-style-type: none"> • Abundance Charity • Cultural Interaction (Malaysia-China 45th Anniversary) • Donation for Lim Si Teong How Tong Building Fund • Donation for Persatuan Wanita Kuantan • Education Charity Dinner in conjunction of 95th Anniversary • Education Fund (Tan Sri Lim Hock San) • Groceries for Madam Chou and OKU Children • Hospis Malaysia's Annual Charity Treasure Hunt 2020 • MGA Golf Charity 2020 • Program Bantuan Kemanusiaan di Kemboja • Food sponsorship for 500 families in the B40 community • Sponsorship for Muslim Cementry Land at Daerah Kuala Langat

CUSTOMER HEALTH AND SAFETY GRI 103-1, 103-2, 103-3, 416-2



Why It Matters

Our priority is to ensure that our products and services are of the highest quality. It is our belief that customer health and safety is crucial in building trust with our clients and ensuring the sustainability of our business. The topic is also key as we continuously strive to uphold the highest standards in product design and delivery to guarantee the wellbeing of our customers.

How We Approach It

At LBS, health and safety is central to our approach to building design, and we regularly review our customer health and safety policies to ensure that our efforts are aligned with best practices. Health and safety assurances for our products are guaranteed through various measures, including an internal audit process conducted by the Project & Property Management/Maintenance & Project Audit (PMMPA) Department. Since 2019, we have been observing our policy of conducting property audits prior to delivering vacant possession, ensuring that our properties are safe for use. Property audits are carried out by the Property Management Officer, who performs a thorough internal inspection of our properties. Any red-flagged data collected via such inspections will be reported immediately to the relevant departments and necessary actions will be taken accordingly. We also train and leverage the Maintenance Officers, providing them with the necessary knowledge to detect and respond to any potential hazards at our properties as effectively as possible. By being rigorous in the mitigation of potential health and safety hazards, we aim to ensure the safety of our valued customers.

Other assurance activities regarding the safety of our developments include a Pre-Certificate of Practical Completion inspection exercise, which serves as an early detection mechanism for any potential health and safety risk. Led by our contractors, the inspection is conducted in conjunction with the Project Department and the PMMPA Department. A Project Enforcer is also designated to oversee the inspection process and is responsible for coordinating any necessary follow-up actions, if issues are identified.

In addition to our existing measures, we have also established the LBS Safety and Health Committee. Founded in November 2020, our Committee provides support for departments across the Group on a range of health and safety matters, including customer health and safety. The Committee is represented by 10 individuals across different departments within LBS, including our Human Resources Department. Since its founding, highlights from the Committee include the creation of Safety & Health Guidelines in the Workplace, which was implemented across the organisation.

In line with the value that the Group recognised from customers' feedbacks, a mobile application (known as ALFRED) has been introduced as a platform where customers can provide feedbacks and track the processing of their complaints. Through this mobile application, relevant personnel are notified and called upon to perform any rectifying actions, thus enabling our Group to manage customer concerns in a timely manner. At LBS, we actively seek to address any concerns our customers might have as efficiently as possible, and we will continue to review and improve ALFRED based on user feedback to ensure that our customers are satisfied with our products and services.

Our Performance

In 2020, we are pleased to announce that we continue to maintain zero incidence of non-compliance with regulations and voluntary codes in relation to customer health and safety.



**Incidents of non-compliance
concerning the health and safety
impacts of our properties**

Sustainability Report (Cont'd)

FEATURE: INDUSTRIALISED BUILDING SYSTEMS (IBS) IN OUR DEVELOPMENTS

As one of the pioneers of IBS system within the property development landscape of Malaysia, LBS and its subsidiary MGB Berhad have remained committed at our approach at adopting this system for our development projects. Leading from what we have managed to achieve throughout the years of implementation, the Group is focused at constantly enhancing and developing innovative ways to produce and utilise this system.

Moving into our fourth year of producing and utilising IBS, we have continued to reap the benefits from our persistent efforts at advocating its implementation. This efficient prefabrication technique has enabled us to continually redefine our approach on offering affordable housing as well as improve our ability to deliver continuous high quality and well-timed developments. Overall, the system has also contributed the following positive effects for each of our developments:

- Significantly reduces construction time, as casting of precast element at factory and foundation work at site can occur simultaneously;
- Leads to a reduction of labour requirement during production and those required on site, resulting in a reduction of labour cost;



- Adaptable and repetitive use of IBS components for formwork encourages further cost savings;
- Higher degree of precision and accuracy at production – hence, reduction of material wastage;
- Utilisation of IBS component leads to higher quality and improved finishes, through the use of machinery during production;
- Provides flexibility in the design of precast element so that different systems may produce their own unique prefabrication construction methods;
- Encourages a safer construction site as IBS requires a least complicated handling process, with lesser time and resources on site; and
- Leads an environmentally friendlier approach towards material utilisation as timber formwork can be replaced by IBS; etc.

With the aforesaid commitments, our efforts for the current reporting period were focused on supporting the two IBS plants managed by MGB Berhad, i.e. one mobile plant at Alam Perdana and another permanent plant in Nilai, Negeri Sembilan. From its combined production, both plants managed to successfully support the construction of 3,962 units since 2018. For FY2020, we managed to accomplish the completion of 1,638 units of IBS-built homes at KITA CyberSouth.

Overall, our approach to utilising IBS steel and aluminium formwork and precast concrete has significantly supported the Group to achieve a balance of Economic, Environmental and Social sustainability performance. Firstly, from an economic growth standpoint, this system has enabled us to achieve a more efficient project development by reducing construction time as well as decrease our dependency of manual labour which eventually led to cost savings. With such efficacy and savings, the Group can strategically undertake and focus on delivering these benefits directly to our purchasers through our projects.

The Group's ambition on fully embarking the adoption of IBS is also due to the key environmental benefits it contributes. In addition to being an alternative material for timber formwork, IBS also produces less material wastage as various materials which would normally be discarded as waste if being built on site can be reused to create other products in an IBS manufacturing plant. With the simplification that IBS brings into the construction process, it has prompted savings in energy consumption for an entire development project. Such resource conservation is also observed through the reduced number of transportations required as products are made and delivered in bulk quantity. This is vital as the need of such transportation make up for a significant part of a development's environmental impact.

Our IBS initiative has also brought further social benefits in which it has led to the development of skills of our people while supporting local employment surrounding the production plants, bringing an indirect economic impact to the local communities. Furthermore, with the support of IBS, we can better safeguard workers at our project sites as this construction method presents a more efficient, safer and cleaner alternative to conventional construction.

All these measures are to ensure that the Group is fully aligned with the government's aim of utilising IBS components in all its development projects as well as encouraging developers to endeavour in more affordable developments. Together with our subsidiary, MGB Berhad, this is a journey that LBS will firmly commit and pursue for the foreseeable future through the implementation of our strategies, business conduct and developments. This commitment is also set to support our goal of providing key and affordable developments to the nation in which to date we have successfully completed a total of 3,962 properties. With this track record, we are confident of achieving greater success and enhancing the positive impact on our diverse stakeholders.



Sustainability Report (Cont'd)

GRI STANDARDS CONTENT INDEX GRI 102-55

GRI Standards	Disclosures	Page Reference
ORGANISATIONAL PROFILE		
GRI 102-1	Name of the organisation	Page 4
GRI 102-2	Activities, brands, products and services	Page 4
GRI 102-3	Location of headquarters	Page 8
GRI 102-4	Location of operations	Page 8 - 11
GRI 102-5	Ownership and legal form	Page 8 - 11
GRI 102-6	Markets served	Page 8 - 11
GRI 102-7	Scale of the organisation	Page 8 - 11
GRI 102-8	Information on employees and other workers	Page 24 - 45
GRI 102-9	Supply chain	N/A
GRI 102-10	Significant changes to organisation and its supply chain	N/A
GRI 102-11	Precautionary Principle or approach	Page 134
GRI 102-12	External initiatives	Page 12 - 21, 126
GRI 102-13	Membership of associations	Contact for Details
STRATEGY		
GRI 102-14	Statement from senior decision-maker	Page 108 - 109
ETHICS AND INTEGRITY		
GRI 102-16	Values, principles, standards and norms of behaviour	Page 113
GOVERNANCE		
GRI 102-18	Governance structure	Page 113
GRI 102-19	Delegating Authority	Page 113
GRI 102-20	Executive-level responsibility for economic, environment and social topics	Page 113
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Page 113
GRI 102-22	Composition of the highest governance body and its committees	Page 113
GRI 102-23	Chair of the highest governance body and its committees	Page 113
GRI 102-24	Nominating and selecting the highest governance body	Page 113
GRI 102-25	Conflict of interest	Page 113
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Page 113
GRI 102-27	Collective knowledge of highest governance body	Page 113
GRI 102-28	Evaluating the highest governance body's performance	Page 113
GRI 102-29	Identifying and managing economic, environmental and social impacts	Page 113
GRI 102-30	Effectiveness of risk management processes	Page 113
GRI 102-31	Review of economic, environmental and social topics	Page 113
GRI 102-32	Highest governance body's role in sustainability reporting	Page 113
GRI 102-33	Communicating critical concerns	Page 113
GRI 102-34	Nature and total number of critical concerns	Page 113
GRI 102-35	Remuneration policies	Page 113
GRI 102-36	Process for determining remuneration	Page 113
GRI 102-37	Stakeholders' involvement in remuneration	Page 113
GRI 102-38	Annual total compensation ratio	Page 113
GRI 102-39	Percentage increase in annual total compensation ratio	Page 113
STAKEHOLDER ENGAGEMENT		
GRI 102-40	List of stakeholder groups	Page 110 - 111
GRI 102-41	Collective bargaining agreements	N/A
GRI 102-42	Identifying and selecting stakeholders	Page 110 - 111
GRI 102-43	Approach to stakeholder engagement	Page 110 - 111
GRI 102-44	Key topics and concerns raised	Page 110 - 111



GRI Standards	Disclosures	Page Reference
REPORTING PRACTICE		
GRI 102-45	Entities included in the consolidated financial statements	Page 331 - 338
GRI 102-46	Defining report content and topic Boundaries	Page 107
GRI 102-47	List of material topics	Page 106 & 112
GRI 102-48	Restatements of information	N/A
GRI 102-49	Changes in reporting	N/A
GRI 102-50	Reporting period	Page 107
GRI 102-51	Date of the most recent report	Page 107
GRI 102-52	Reporting cycle	Page 107
GRI 102-53	Contact point of questions regarding the report	Page 107
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Page 106
GRI 102-55	GRI content index	Page 130 & 131
GRI 102-56	External assurance	Conducted by Sustainability Committee and approved by the Board
TOPIC: ECONOMIC PERFORMANCE		
GRI 103-1	Explanation of the material topic and its Boundary	Page 114 & 115
GRI 103-2	The management approach and its components	Page 114 - 116
GRI 103-3	Evaluation of the management approach	Page 115 & 116
GRI 201-1	Direct economic value generated and distributed	Page 116
TOPIC: ANTI-CORRUPTION		
GRI 103-1	Explanation of the material topic and its Boundary	Page 117
GRI 103-2	The management approach and its components	Page 117
GRI 103-3	Evaluation of the management approach	Page 117
GRI 201-1	Communication and training about anti-corruption policies and procedures	Page 117
TOPIC: ENVIRONMENTAL COMPLIANCE		
GRI 103-1	Explanation of the material topic and its Boundary	Page 118
GRI 103-2	The management approach and its components	Page 119 & 120
GRI 103-3	Evaluation of the management approach	Page 119 & 120
GRI 307-1	Non-compliance with environmental laws and regulations	Page 120
TOPIC: TRAINING AND EDUCATION		
GRI 103-1	Explanation of the material topic and its Boundary	Page 121
GRI 103-2	The management approach and its components	Page 121
GRI 103-3	Evaluation of the management approach	Page 121
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Page 122
TOPIC: DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103-1	Explanation of the material topic and its Boundary	Page 123
GRI 103-2	The management approach and its components	Page 123
GRI 103-3	Evaluation of the management approach	Page 123
GRI 405-1	Diversity of governance bodies and employees	Page 124
GRI 405-2	Ratio of basic salary and remuneration of women to men	Page 124
TOPIC: LOCAL COMMUNITIES		
GRI 103-1	Explanation of the material topic and its Boundary	Page 125
GRI 103-2	The management approach and its components	Page 125
GRI 103-3	Evaluation of the management approach	Page 125
GRI 413-1	Operations with local community engagement, impact assessments and development programs	Page 126
TOPIC: CUSTOMER HEALTH AND SAFETY		
GRI 103-1	Explanation of the material topic and its Boundary	Page 127
GRI 103-2	The management approach and its components	Page 127
GRI 103-3	Evaluation of the management approach	Page 127
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 128



AGENSI PENGURUSAN BENCANA NE
JABATAN PERDANA BANTU
ENTERI



 **LBS**  **LBS Foundation**

TABUNG COVID-19
RM 1,000,000.00

www.lbs.com.my



PRIORITISING PEOPLE, STRENGTHENING COMMUNITIES

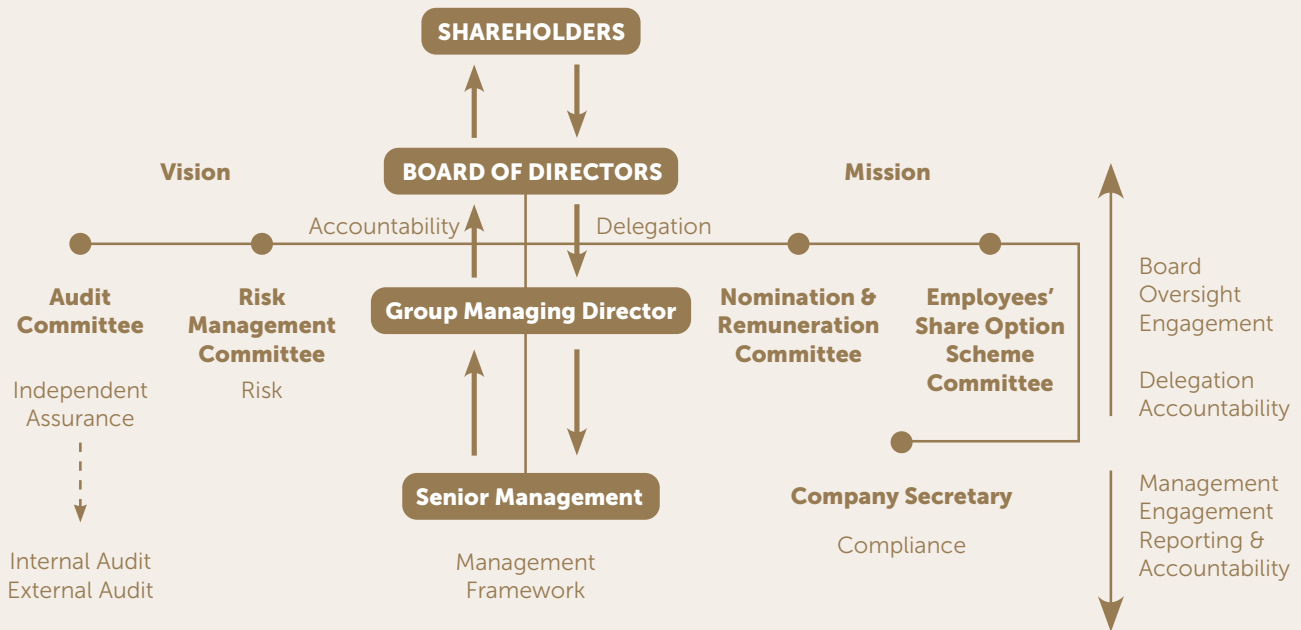
LBS is committed to prioritising the safety of people and strengthening communities, especially in this time of crisis. In 2020, we lent support to our nation's frontliners and organisations involved in fighting the COVID-19 pandemic through making donations in cash and kind to help flatten the curve.

Recognising that building sustainable communities involves delicate planning and careful consideration, we are working diligently to ensure our properties remain affordable and of a high quality, particularly during this period of economic recovery. As such, we remain committed to ensuring that each township and community that we create is built on the pillars of affordability, connectivity and community while ensuring potential growth within the surrounding area. All these elements are helping make the communities that we build attractive value propositions and ensuring their long-term, sustainable growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of LBS believes that good corporate governance results in quantifiable and sustainable long-term success and value for shareholders as well as all other stakeholders, as reflected by our performance and track record. The Board is committed to upholding transparency, integrity and accountability by implementing and maintaining a strong culture of corporate governance within the Group.

Governance Framework



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

1. Companies Act, 2016;
2. Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”); and
3. Malaysian Code on Corporate Governance issued in 2017 (“MCCG”).

Pursuant to Bursa Malaysia’s corporate governance disclosure requirements as per Para 15.25 and Practice Note 9 of the MMLR, the Board is pleased to set out a summary of the Group’s corporate governance practices during the financial year ended 31 December 2020 (“FY2020”) in this Corporate Governance Overview Statement (“CG Overview Statement”). In addition to this, the application of each of the Practices set out in the MCCG is disclosed in our Corporate Governance Report (“CG Report”) which is available on the Group’s corporate website at www.lbs.com.my and within an announcement made by the Company on the website of Bursa Malaysia at www.bursamalaysia.com.



Principle A : Board Leadership and Effectiveness

I. BOARD RESPONSIBILITIES

Responsibilities of the Board

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

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

- to formulate, implement and evaluate the strategic plans and direction of the Group;
- to oversee the conduct and performance of the Group's businesses;
- to identify principal risks affecting the Group, set the risk appetites, and ensure the implementation of appropriate risk mitigation measures;
- to establish and review training programmes and succession planning related to the Board as well as to ensure all candidates appointed to Key Senior Management positions are of a sufficient calibre;
- to approve the change of the corporate organisation structure plan including new investments or divestments both locally or abroad;
- to oversee the development and implementation of the stakeholder communication policy for the Group; and
- to review the adequacy and the integrity of the Group's management information and internal control system.

Separation of Positions of the Chairman and Group Managing Director

The roles of the Chairman and Managing Director are distinct and separate to ensure the proper balance of power and authority. The Chairman is mainly responsible for providing leadership for the Board to perform effectively, leading the Board to practise high standards of corporate governance, setting the corporate tone from the top, chairing Board meetings, setting Board agendas, and promoting effective Board relationships.

On 1 March 2021, the late Chairman Dato' Seri Lim Bock Seng has relinquished all his positions in the Group and Tan Sri Lim Hock San has been redesignated as Executive Chairman whereas Datuk Wira Lim Hock Guan was redesignated as Managing Director.

The Managing Director leads the Key Senior Management team and is responsible for assisting the Board in implementing the policies and procedures adopted by the Board to achieve the Group's objectives. The Board delegates the management of the Group's resources to the Key Senior Management team and has unrestricted access to any information pertaining to the Group. As such, Key Senior Management are invited to attend the Board Meetings as and when necessary, to furnish explanations and comments on the relevant agenda tabled at Board Meetings or to provide clarification on issues that may be raised by the Directors. The Board and Key Senior Management work together to make decisions that will result in the growth of the Company.

The delegation of authority to the Managing Director includes the responsibility for:

- Developing and implementing strategies, business plans and budgets of the organisation;
- Identifying and managing operational risks on a daily basis where those risks could have a material impact on the businesses, as well as formulating strategies to manage these risks including the preparation of Risk Assessment Reports and/or convening of Risk Management Committee ("RMC") meetings for all major investments or divestments transactions prior to final decision being made;
- Managing the Company's current financial and other reporting mechanisms as well as control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively; and
- Ensuring that the Board and Board Committees are provided with sufficient and updated information on a timely basis in regard to the Group's businesses and, in particular, with respect to the performance, financial condition, operating results and prospects to enable the Board and Board Committees to fulfil their governance responsibilities.

Corporate Governance Overview Statement (Cont'd)

Qualified Company Secretaries

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

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

The Company Secretaries are responsible for the overall corporate secretarial functions as well as for providing guidance, information and advice to the Board and Board Committees on matters relating to the performance of duties in compliance with the relevant laws, rules, regulations and procedures affecting the Board and the Group.

The Board members and Board Committees have unlimited access to the services of the Company Secretaries and are kept updated on new regulations, requirements and current developments in the regulatory framework and governance practices relating to their duties and responsibilities. The Company Secretaries are responsible for monitoring corporate governance compliance matters and assisting the Board in applying the relevant governance practices. They also facilitate the organisation of internal training programmes or external seminars and workshops for the Directors and keep records of the training sessions attended by the Directors.

The Company Secretaries are also responsible for organising and managing the Board's, committees' and shareholders' meetings, and to ensure these meetings are properly convened and that the appropriate records of the deliberations and proceedings are accurately recorded and duly signed by the respective chairman of the meeting.

Meeting Materials and Supply of Information

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

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

- quarterly financial performance report of the Group;
- risk assessment reports on major investments and divestments of the Group;
- major operational and financial report including sales analysis and debtor aging;
- the Group's risk profile;
- updates on corporate exercises and significant compliances; and
- updates on regulatory and legislation changes.

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

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



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

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

The Company Secretaries, who attend each Board Meeting play an important role in ensuring that Board procedures are adhered to at all times during meetings. They are to advise the Board on matters such as corporate governance requirements and Directors' responsibilities in complying with relevant legislation and regulations. During the year 2020, the Board was updated by the Company Secretaries on matters pertaining to new regulations or requirements concerning their duties and responsibilities. These updates centred mainly on the amendments to the MMLR of Bursa Malaysia and the Companies Act, 2016.

Board Charter

The Board has adopted a Board Charter which sets out how its roles, powers and responsibilities are to be exercised, having regard to principles of good governance, best practices and applicable laws.

The Board Charter upholds high standard of governance and clarifies, amongst others, the roles and responsibilities of the Board and serves as a general statement of intent and expectation in discharging its duties and responsibilities. The Board Charter also outlines the procedures and practices for an effective Board.

The Board Charter is reviewed and updated periodically as and when necessary to ensure its appropriateness and relevance to the Company from time to time and its compliance with the relevant laws, rules and regulations.

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

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

The followings are the key matters reserved for the Board:

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

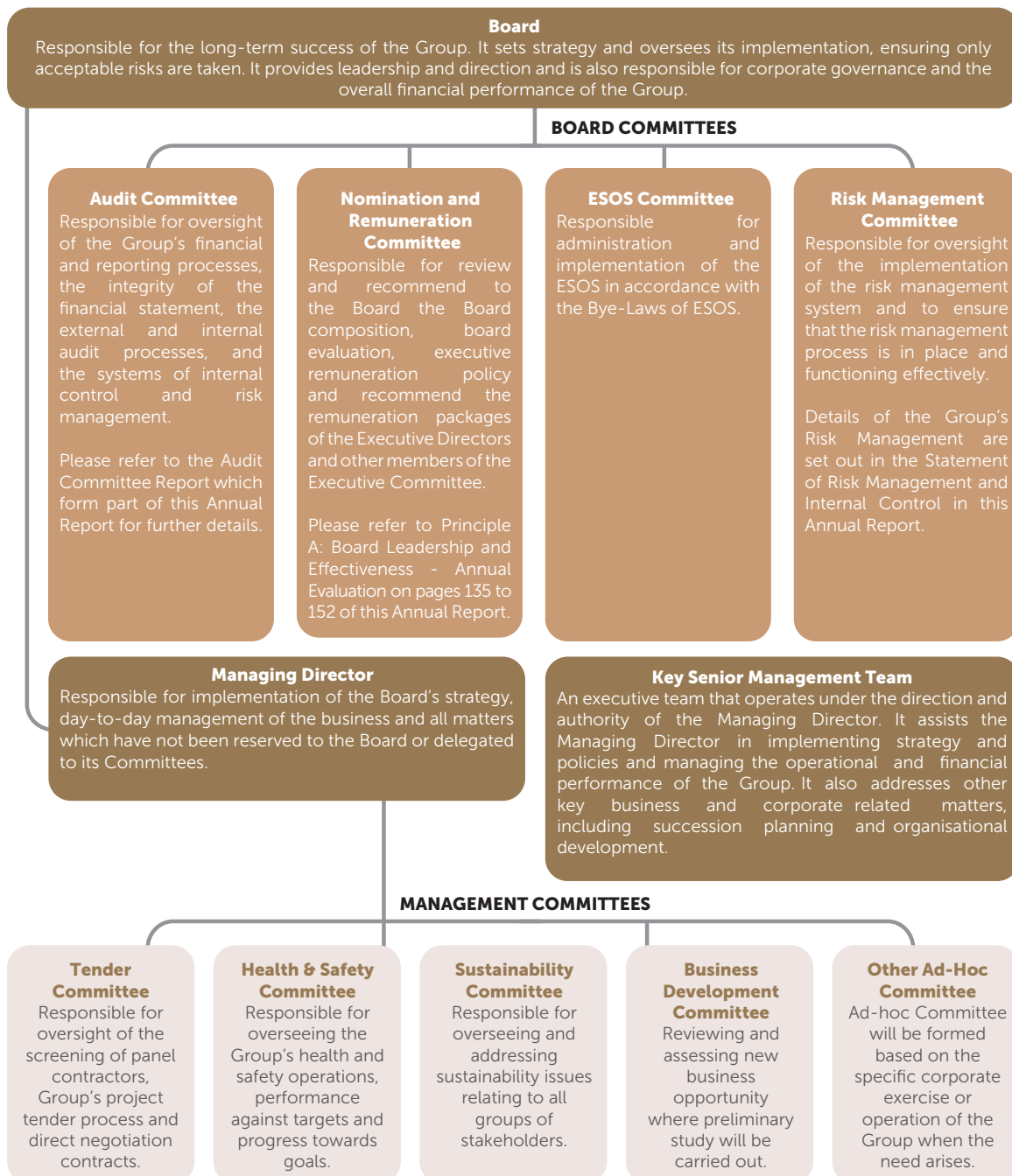
The Board Charter is available at the Company's website at www.lbs.com.my.

Corporate Governance Overview Statement (Cont'd)

Board Committees

The Board delegates specific responsibilities to the respective committees of the Board, namely the Audit Committee, NRC, Employee Share Option Scheme (“ESOS”) Committee and RMC in order to enhance business and corporate efficiency and effectiveness. The Chairman of the respective Board Committee will brief the Board on the matters discussed at the respective Committees’ meeting and minutes of these meetings will be circulated to the Board. All Board Committees operate within their clearly defined Terms of Reference and operating procedures whereupon the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision making lies with the Board.

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





Formalised Ethical Standards through Code of Ethics

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

Directors' Code of Ethics

The Board in discharging its functions, aside from observing the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia, the provisions of Companies Act, 2016 and the MCCG, has also adopted its own Directors' Code of Ethics. This sets out 12 principles as guidance for proper standards of conduct, sound and prudent business practices, as well as standards of ethical behaviour for Directors and employees, based on the principles of integrity, responsibility, sincerity and corporate social responsibility.



The Board will review the Directors' Code of Ethics as and when necessary to ensure it remains relevant and appropriate. The full version of the Directors' Code of Ethics is available on the Company's website.

Corporate Governance Overview Statement (Cont'd)

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

Insider Trading

Directors and employees who possess price sensitive information which is not available to the public, are not allowed to trade in the Company's securities which is consistent with Subdivision 2 – Insider Trading, Part V – Market Misconduct and Other Prohibited Conduct of the Capital Markets and Service Act, 2007 and Paragraph 14.04 of the MMLR of Bursa Malaysia.

Relevant notifications in relation to the dealings of the Company's securities during the closed period are sent to Directors and principal officers on a quarterly basis specifying the timeframe of the closed period and the day of which they are prohibited from dealing in the Company's securities.

Declaration of Interests

The Directors acknowledge that by declaring their interest in any transaction with the Company and the Group, they will abstain from deliberation and voting on the relevant resolutions at the Board Meetings or any general meeting to be convened to consider the matter. If a corporate proposal has to be approved by the shareholders, the Directors with any interest in the proposal will abstain from voting on the resolution and will further undertake to ensure that persons connected to them also will abstain from voting on the resolution.

Group IT Policies

Under the Group IT Policies, staff are strictly prohibited from installing, copying or downloading any illegal, unlicensed and unauthorised software onto their desktop computer and notebook, as any of these actions would constitute a criminal offence under the Copyright Act, 1987. Stern disciplinary action will also be taken against any staff who is found to have committed such an offence.

Standard Operating Procedures and Policies ("SOPPs")

Well documented SOPPs of major functions of the various key departments within the Group have been established and approved as standard processes, procedures and responsibilities for all employees. These serve as employees' key references so as to maintain the efficiency and uniformity of the performance of a specific function. These SOPPs, which are made available to all staff via the internal computer network storage sharing folder of the Company, are subject to review from time to time.

Corporate Disclosure Policy and Procedure

The Company has adopted its Investor Relations ("IR") Policy ("IR Policy") as its official corporate disclosure policy and procedure in disseminating corporate and material information to the investing public.

The Company is committed to ensuring the accurate, balanced, clear, timely, consistent and fair disclosure of corporate information with reference to its IR Policy and the Corporate Disclosure Guide introduced by Bursa Malaysia. At the same time, the Company adheres to the corporate disclosure requirements set out under the MMLR of Bursa Malaysia to enable informed and orderly market decisions by investors.



Employee Code of Conduct

Employees are expected at all times to maintain the highest standards of professionalism and integrity in all that they do. This includes communications with colleagues, customers, clients, suppliers and the public. These standards apply to communications that are verbal, written (for example: memo, letter and report) and electronic (including but not limited to fax, email, mobile phone text messages, telephone, voicemail or the internet).

Apart from carrying out their respective job functions, employees are to obey and comply with all reasonable and lawful orders and directives from the Company. They are also to faithfully observe all rules, regulations and policies which may be applicable to the Group in general.

Sexual Harassment Policy

This policy is intended to ensure that all employees are free from sexual harassment at the workplace. The aim of Management is to provide a safe and conducive working environment. Sexual harassment of any nature at the workplace is prohibited and will not be tolerated or condoned by Management. Management will investigate all complaints of sexual harassment fairly and objectively. Appropriate action will be taken against the employee(s) concerned, based on available evidence.

Privacy and Personal Data Protection Policy

All personal data will be kept and processed in a secured manner. Procedures are in place to ensure that all employees, contractors, agents, consultants and other parties who have access to any personal information held by or on behalf of us are fully aware of and abide by their duties and responsibilities under the Act.

Anti-Bribery and Corruption Policy

The Group recognises the importance of establishing and upholding good corporate governance in its daily business operations in accordance with the highest ethical standards and in full compliance with all applicable laws, regulations and/or standards in all jurisdictions in which the Group operates.

The Group has at all material times adopted a zero-tolerance approach against all forms of bribery and corruption within the Group. The Group remains committed to complying with all laws and regulations which govern its business and operations to the highest standards of ethical conduct and integrity, professionally and fairly.

In line with the requirements of the Malaysian Anti-Corruption Act 2007, the Board has formalised the anti-bribery and corruption policy and procedures of the Group. The Board advocates a business environment that is free from corruption. The Anti-Bribery and Corruption Policy is applicable to the Group's personnel, its subsidiaries and business associates acting on the Group's behalf. Joint-venture companies and associated companies are encouraged to adopt these or similar principles.

The full version of the Anti-Bribery and Corruption Policy is available on the Company's website.

Corporate Governance Overview Statement (Cont'd)

Whistleblowing Policy

The Board believes in upholding high standards of integrity and accountability in managing its day-to-day businesses and operations and aims to conduct its affairs in an ethical, responsible and transparent manner.

The Board has established a Whistleblowing Policy for the Group to encourage employees and stakeholders to report or disclose any improper conduct in accordance with the procedures and to provide protection to them from reprisal as a consequence of making such a disclosure.

The Whistleblowing Policy was reviewed and updated in 2020 to enhance its appropriateness and relevance to the Company and its compliance with the relevant laws, rules and regulations. The full version of the Whistleblowing Policy is available at the Company's website.

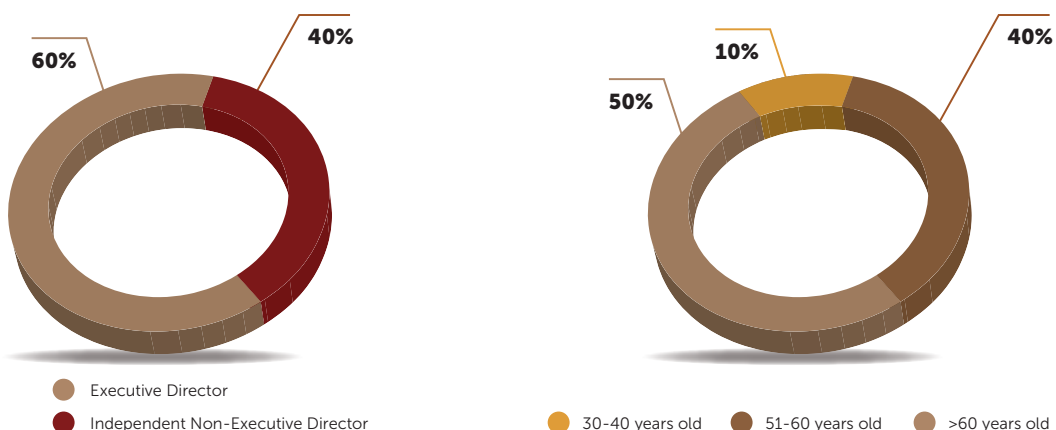


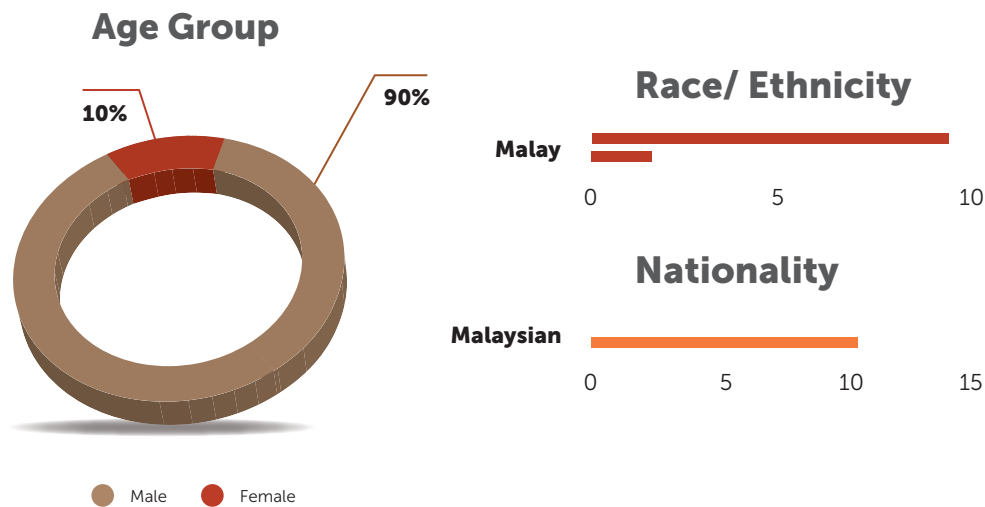
II. BOARD COMPOSITION

The Board presently has ten (10) members comprising four (4) Independent Non-Executive Directors ("INED") and five (5) Non-Independent Executive Directors (including the Managing Director) led by Tan Sri Dato' Sri Lim Hock San as the Executive Chairman. Following the appointment of Dato' Lim Han Boon as an Independent Non-Executive Director on 27 August 2020, the resignation of Dato' Chia Lok Yuen as Non-Independent Executive Director on 31 December 2020, the appointment of Mr. Lim Kim Kiat as Non-Independent Executive Director on 1 January 2021 and the resignation of Dato' Seri Lim Bock Seng as Non-Independent Non-Executive Director on 1 March 2021, the percentage of Independent Directors has risen to 40%. The Board shall continue to review its composition to comply with the recommended practice of ensuring at least half of the members of the Board are Independent Directors.

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

Demographic





A brief profile of each director is presented in the “Directors’ Profile” section of this Annual Report.

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

Board Appointment Process

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

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

During the financial year 2020, Dato’ Lim Han Boon was recommended by the Group Managing Director to the NRC for review. The NRC reviewed Dato’ Lim Han Boon’s profile, curriculum vitae, academic qualifications, competencies and personal attributes for appointment as Independent Non-Executive Director. The Board, after taking into consideration the NRC’s recommendation, approved the appointment of Dato’ Lim Han Boon to the Board.

Based on the above approach, the NRC concluded that other sources such as the Directors’ registry or open advertisement were not used to identify the candidates as the Management, considering the industry in which the Group operates, concluded that the Board is in the best position to look for suitable and qualified candidates through their social networking.

The Board is of the view that the recommendation of candidates from Board members is one of the useful approaches in identifying suitable candidates. Nonetheless, candidates will still be vetted through by the NRC against objective criteria, merit with due regard for diversity in experience, skills set, age and cultural background. The Company, if so required, would refer to independent sources, e.g. professional advisor etc. to identify suitably qualified candidates for appointment to the Board in the future.

Corporate Governance Overview Statement (Cont'd)

Re-election of Directors

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

The names of the four (4) Directors seeking for re-election at the forthcoming 21st AGM are disclosed in the Notice of AGM. The Board, on the recommendation of the NRC, and with retiring Directors abstaining, have endorsed the re-election of the retiring Directors.

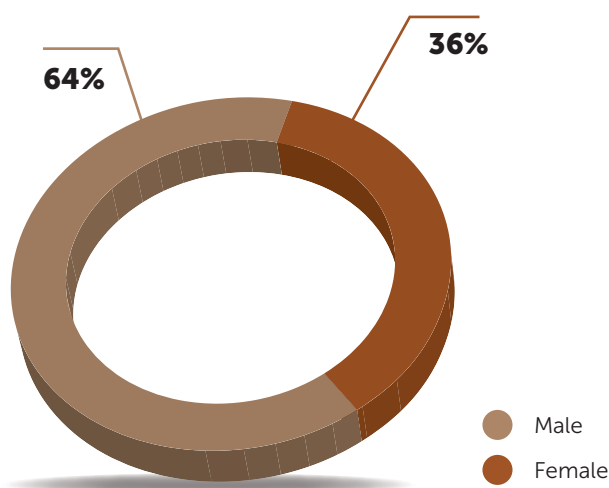
Boardroom Diversity

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

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

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

The Succession Planning Policy is available at the Company's website.





Tenure of Independent Directors

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

None of the INED's tenures have exceeded a cumulative term of nine (9) years in FY2020.

Annual Assessment of Independence

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

The present composition of the Board is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Malaysia where four (4) out of its total ten (10) Board members are Independent Directors. The Board assess the independence of its INED annually for appropriate proper functioning of the Board and provides effective checks and balances in discharging its responsibilities. No individual or small group of individuals dominates the Board's decision making. For the purposes of determination of independence, the INEDs who are not related to the substantial shareholders of the Company, provide declarations regarding their independence.

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

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

Annual Evaluation

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

During FY 2020, a total of four (4) NRC meetings were held. The attendance of each Director is tabulated below:

Directors	Number of meetings	Attendance
Datuk Dr. Haji Baharum bin Haji Mohamed	4	4
Datuk Lim Si Cheng	4	4
Datuk Lim Tong Lee	4	4

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

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

Corporate Governance Overview Statement (Cont'd)

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

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

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

- (a) Reviewed the composition of the Board in respect of its structure, size and the required mixture of skills and experience;
- (b) Reviewed the re-election of Directors retiring by rotation pursuant to the Company's Constitution at the Twentieth AGM of the Company;
- (c) Assessed the independence of INEDs;
- (d) Reviewed remuneration package comprising salaries, incentives, bonuses, benefits-in-kind and allowances of Executive Directors. The determination of the remuneration of the INEDs is a matter for the Board as a whole;
- (e) Undertook an annual assessment and evaluation of the Board, Board Committees and the individual Directors;
- (f) Reviewed and assessed the proposed appointment of Executive Directors, Independent Non-Executive Directors and Alternate Directors; and
- (g) Reviewed and assessed the proposed salary reduction for all employees of the Group.

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

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

Time Commitment

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

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

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



Board Meetings

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

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the MMLR of Bursa Malaysia. During FY2020, a total of five (5) Board Meetings were held. The attendance of each Director is tabulated as below:

Directors	Number of meetings	Attendance
Dato' Seri Lim Bock Seng	5	5
Tan Sri Dato' Sri Lim Hock San	5	5
Datuk Wira Lim Hock Guan	5	5
Maj (Hon) Dato' Sri Lim Hock Sing	5	5
Dato' Sri Lim Hock Seong	5	5
Dato' Lim Mooi Pang	5	5
Dato' Chia Lok Yuen (his alternate, Mr. Lim Kim Kiat)	5	3
Dato' Lim Han Boon ¹	1	1
Datuk Dr. Haji Baharum bin Haji Mohamed	5	5
Datuk Lim Si Cheng	5	5
Datuk Lim Tong Lee	5	5

Notes:

1. Dato' Lim Han Boon appointed as a Director on 27 August 2020.

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

Directors' Training and Induction

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

The Company Secretaries would lead this comprehensive induction programme which includes meeting with members of Key Senior Management and their teams to allow the new Director to be acquainted with the Management and to facilitate their future independent access to Management. The programme also includes a briefing by the Company Secretaries on the Board processes, internal controls and governance practices and by the Key Senior Management team on key areas of the Company's operations. Project site visits will also be arranged for the new Director to view the developments of the Group. An induction programme was conducted for Dato' Lim Han Boon who joined the Group on 27 August 2020.

For a first time Director, he or she would be attending the Mandatory Accreditation Programme ("MAP") as prescribed by the MMLR of Bursa Malaysia in order to acquire the relevant knowledge on what is expected of a listed company director. New member of the Board, Mr. Lim Kim Kiat has completed his MAP during the FY 2020.

Corporate Governance Overview Statement (Cont'd)

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

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

Directors	Date	Topics
Tan Sri Dato' Sri Lim Hock San	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Datuk Wira Lim Hock Guan	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Maj (Hon) Dato' Sri Lim Hock Sing	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Dato' Sri Lim Hock Seong	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Dato' Lim Mooi Pang	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Datuk Dr. Haji Baharum bin Haji Mohamed	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Datuk Lim Si Cheng	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Datuk Lim Tong Lee	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
	6/1/2020	Talk on Corporate Liability – Mr Lee Min On
	15/1/2020	Top Glove Board Off Site Meeting – Talk by KLK CEO Tan Sri Lee Oi Hin
	16/1/2020	Top Glove Board Off Site Meeting – Talk by Mitsui Corporation CEO Daiji Kojima
	18/2/2020	Debrief Session by MICG & Integrity Solutions Sdn Bhd – Dr Mark Lovatt
	13/4/2020	Innovation in the Midst of Chaos
	14/4/2020	Authentic Leadership ~ Leadership in Times of Distress
Dato' Lim Han Boon	16/4/2020	Stakeholder Engagement ~ In Times of Crisis: Stakeholders Take Centre Stage
	16/4/2020	COVID 19 Dissecting Malaysia's Economic Stimulus – Response to Digital Economy
	17/4/2020	The New Normal of Organization Development & Cultural Building
	20/4/2020	Managing Business in Crisis by – Dato Seri Idris Jala
	23/4/2020	Resilient Leadership during COVID 19 by Dato Micheal Tio (PKT Logistics)
	27/4/2020	Coronavirus Business Continuity – The Next Frontier – by Stan Singh Jit



Directors	Date	Topics
Dato' Lim Han Boon	28/4/2020	The SSO Landscape Post MCO – Changes, Expectations & Preparations
	30/4/2020	Thriving Through Epic Disruption – Hannah Yeoh (MP Segambut)
	4/5/2020	The New World Order Post COVID 19
	8/5/2020	Overcoming the COVID 19 Disruption
	20/5/2020	Apart Together: How do we Engage our Employees in this Challenging Time
	4/6/2020	Cybersecurity & Work From Home Security Challenges Amidst COVID 19 Pandemic
	7/7/2020	Equity Based Income: A Formula that Drives Business Performance
	13-14/8/2020	Key Disclosure Obligations of a Listed Company by Chee Kai Mun
	22/8/2020	Top Glove Youth Leadership Summit 2020 Day 1
	25/8/2020	Reinvent your Business for the Digital Future
	1/9/2020	SSS Webinar – Hyper Collaboration the New Normal as Panelist
	10/9/2020	Risk Management & Risk Governance in the New Normal
	12/9/2020	Top Glove Youth Leadership Summit 2020 Day 2
	24/9/2020	SSS Webinar – Why Malaysia is Still the Best Location for Digital Services
	12/10/2020	The Malaysian Economic Summit 2020
	11/11/2020	Managing the Speed of Change – Mark Gallagher
	13/11/2020	Sustainability Reporting
	13/11/2020	Budget Talk 2021
	10/12/2020	Insider's Guide to Surviving Life in the Boardroom
	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)
Lim Kim Kiat	8/4/2020	The Coming Global Recession and the Impact on Malaysia by Maybank Premier
	9/4/2020	Business Continuity Post-MCO: From Financial Distress Management to Corporate Rescue Mechanism
	24/4/2020	Rotunda Point Webinar Series: Crisis Management for Pandemic & Post-MCO
	3/7/2020	HSBC x MDEC Roundtable: Digital Transformation for Malaysian Corporates
	20-22/7/2020	Mandatory Accreditation Programme
	23-27/11/2020	Corporate Treasurer's TREASURY WEEK
	10,15/12/2020	Digitalization – The Transformation of Business (Part 1 & 2)

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

Corporate Governance Overview Statement (Cont'd)

IV. REMUNERATION

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

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

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

The Remuneration Policy is available at the Company's website.

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

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

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

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

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



The remuneration of the Directors for FY2020 is set out below:

(a) The aggregate Directors' remuneration received/receivable from the Company during FY2020 are as follows:

Company only	Director's Fee RM'000	Salary, Bonuses, Allowances and Other Emoluments RM'000	Benefits in Kind RM'000
Non-Executive Directors			
Dato' Seri Lim Bock Seng	-	0.2	-
Dato' Lim Han Boon	-	2	-
Datuk Dr. Haji Baharum Bin Haji Mohamed	56	11	-
Datuk Lim Si Cheng	56	10	-
Datuk Lim Tong Lee	56	13	-

(b) The aggregate Directors' remuneration received/receivable on a Group basis during the FY 2020 is as follows:

Group	Director's Fee RM'000	Salary, Bonuses, Allowances and Other Emoluments RM'000	Benefits in Kind RM'000
Non-Executive Directors			
Tan Sri Dato' Sri Lim Hock San	327	3,244	209
Datuk Wira Lim Hock Guan	238	2,670	190
Maj (Hon) Dato' Sri Lim Hock Sing	80	1,991	337
Dato' Sri Lim Hock Seong	-	1,915	126
Dato' Chia Lok Yuen	-	1,158	84
Dato' Lim Mooi Pang	-	1,678	94
Non-Executive Directors			
Dato' Seri Lim Bock Seng	-	729	58
Dato' Lim Han Boon	-	2	-
Datuk Dr. Haji Dr Baharum Bin Haji Mohamed	56	67	-
Datuk Lim Si Cheng	56	10	-
Datuk Lim Tong Lee	56	13	-

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

The details of the remuneration of Key Senior Management is not disclosed on a named basis here as the Board is of the opinion that such disclosure would not be in the interests of the Company in view of talent poaching which is common in the highly competitive property industry.

Corporate Governance Overview Statement (Cont'd)

Alternatively, the remuneration of the top five (5) Key Senior Management for the FY2020 are disclosed as follows:

Name	Salary, Bonus, Allowances and Other Emoluments	Benefits in Kind	Total
Top 5 Key Senior Management	97%	3%	100%
	97%	3%	100%
	96%	4%	100%
	95%	5%	100%
	100%	0%	100%
Total (RM)			1,979,331.47

Comprises insurance, medical, employer's provident fund, social welfare contributions and employment insurance system (EIS).

Principle B: Effectiveness Audit and Risk Management

I. AUDIT COMMITTEE

The Audit Committee assists the Board to oversee the integrity of the Group's financial reporting processes. The processes are aimed at providing assurance that the financial statements and related notes were prepared and drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia for FY2020. The quarterly financial results and audited financial statements were reviewed and recommended by the Audit Committee and approved by the Board before being released to Bursa Malaysia.

For further details of the Audit Committee's composition and activities during FY2020, please refer to the "Audit Committee Report" section in this Annual Report.

Assessment of Suitability and Independence of External Auditors

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

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

During FY2020, the Audit Committee undertook review of the independence of Messrs. UHY and gave careful consideration to the Group's relationship with them. In determining the independence of UHY, the Audit Committee reviewed various aspects of their relationship with them including the nature and amount of the non-audit services paid to UHY for the FY2020 and the corresponding fees. The review showed that the non-audit fees did not impair or threaten the audit independence of UHY as such an amount is not significant as compared to the total audit fees paid to UHY. Based on the review, the Audit Committee is of the opinion that UHY is, and is perceived to be, independent for the purpose of the Group's statutory financial audit. UHY has declared its independence to the Group and its compliance pursuant to Paragraph 290.173 of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.



The Audit Committee has adopted the External Auditors Policy which outlines the guidelines and procedures for the Audit Committee to assess and monitor the external auditors. The Audit Committee has also adopted the recommended policy under the MCCG which requires a former key audit partner to observe cooling-off period of at least two (2) years before being appointed as the member of Audit Committee. The External Auditors Policy will be reviewed when necessary to ensure it remains relevant and appropriate.

In reviewing the nomination of UHY for re-appointment for FY2020, the Audit Committee had considered the adequacy of the resources, experience and competence of UHY. Consideration was also given to the experience of the engagement partner and key team members in handling the audit of listed corporation with 82 subsidiaries companies under different business segments. The quality, size and complexity of the audit of the Group, and the number and experience of the supervisory and professional staff assigned were taken into consideration. The review also took into account the level of cooperation with Management while maintaining integrity and objectivity and to deliver their services professionally and within stipulated timelines.

The Audit Committee is satisfied with the competence and independence of the external auditors and has recommended to the Board the re-appointment of the external auditors, upon which the shareholders' approval will be sought at the forthcoming 21st Annual General Meeting.

Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are responsible to ensure the Company's financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs, the results and cash flow of the Group and of the Company during FY2020. The Board is also responsible for ensuring that the financial results are released to Bursa Malaysia within the stipulated time frame.

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

The Audit Committee had its annual private session with the external auditors in early 2020 to review the scope and adequacy of the audit planning memorandum, the audit findings and the annual financial statement in the absence of the Executive Directors and the Management representatives in respect of the audit for FY2020. The private session allows the Audit Committee members and the external auditors to exchange independent views on matters which require the Audit Committee's attention.

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

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

Relationship with External Auditors

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

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

Corporate Governance Overview Statement (Cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Risk Management Framework

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

Internal Control

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

During FY2020, the Company outsourced its entire ERM framework by engaging an external service provider, Deloitte Risk Advisory Sdn. Bhd. ("Deloitte") to facilitate the risk control self-assessment exercise with various stakeholders. Risk analysis and evaluation were performed to update the existing risk registers. The Risk Management Committee revised the risk treatment plans along with the corresponding target risk level for any key residual risks highlighted.

The systems of internal controls are continuously reviewed to ensure that they are working via the on-going review through the internal audit process. In FY2020, the internal audit function conducted its works based on an annual Internal Audit Plan which was tabled before and approved by the Audit Committee.

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

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

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

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



Principle C: Integrity In Corporate Reporting And Meaningful Relationship With Stakeholders

I. COMMUNICATION WITH SHAREHOLDERS

Corporate Disclosure Policies and Procedures

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

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

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

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

Leverage on Information Technology for Effective Dissemination of Information

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

IR Department

The Company's IR Department is actively involved in conducting regular briefings, dialogue sessions and presentations with institutional investors, fund managers, analysts as well as financial institutions. These activities aim to develop and maintain positive relations with all shareholders and investors through enabling active two-way communications, as well as promoting and demonstrating a high standard of integrity and transparency through timely, accurate and full disclosure. At the same time, these activities serve to enhance shareholders and investors' understanding of the Group, thereby enabling them to make informed decisions when valuing the Company's shares.

The Company takes an active role in investor relations. The Head of the IR Department is responsible for managing the Group's investor relations programmes, including communications with the financial community, research analysts and relevant stakeholders. Meetings with local and foreign fund managers are conducted regularly on a group basis or via one-on-one physical or virtual meetings. In FY2020, the IR team attended eight (8) meetings with fund managers, analysts and institutional shareholders.

Currently, the Company is covered by six (6) research houses.

Corporate Governance Overview Statement (Cont'd)

Annual Report

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

Although the Company is not categorised as a 'Large Company', the Board has started to include some integrated reporting elements such as the business model, finance and non-financial objectives, value creation and business strategies in the Company's Annual Report 2020 as part of the Company's effort in enhancing our reporting to stakeholders. The Board understands that the full adoption of integrated reporting is a long journey that requires ongoing efforts. Hence, we have initiated our efforts early with the objective to gradually place the Company on a solid footing to ultimately adopt integrated reporting along the line with its growth.

The Company will continue with its initiative on various financial and non-financial reporting whilst taking steps to focus on embedding the process of integrated thinking into its activities to better synergise its connectivity of reporting from Management, its business analysis and decision-making process.

Website

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

Newsletter

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

Online Social Networking

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

Corporate Communication, Media & Digital Department

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

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



Senior Independent Non-Executive Director

As there may be instances where investors and shareholders may prefer to express their concern to an Independent Director, the Board has appointed Datuk Dr. Haji Baharum bin Haji Mohamed, as the Senior Independent Non-Executive Director of the Company to whom the concerns pertaining to the Group may be directed. He can be contacted via email at baharumnewm@yahoo.com.

Town Hall Meeting

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

During FY2020, the Company conducted its Town Hall Meeting in January where the Group Managing Director shared the Company's objectives, direction and important updates on the COVID-19 pandemic with staff. Our employees were also given the opportunity to speak, present or provide updates on the latest developments relating to their respective operational units.

II. CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

Corporate Governance Overview Statement (Cont'd)

Additional Compliance Information

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

Options

During FY2020, options were exercised pursuant to the Employees' Share Option Scheme ("ESOS") which was approved by the shareholders at the EGM held on 28 June 2012. The main features of the ESOS are stated in the Report of Directors on pages 296 and 302 of this Annual Report.

The Options applicable to Directors and Key Senior Management under the ESOS during the FY2020 are as follows:

Directors and Key Senior Management	During the financial year ended 31 December 2020	Since commencement on 18 September 2012 up to 31 December 2020
Aggregate maximum Allocation	80%	80%
Actual percentage granted	0%	61.22%

During FY2020, Options granted to and exercised by Non-Executive Directors are as follows:

No.	Name of Director	Number of Options as at 1.1.2020	Number of Options Granted in 2020	Number of Options Exercised	Number of Options Forfeited	Number of Options as at 31.12.2020
1.	Datuk Dr. Haji Baharum bin Haji Mohamed	523,600	-	-	-	523,600
2.	Datuk Lim Si Cheng	523,600	-	-	-	523,600
3.	Datuk Lim Tong Lee	785,400	-	-	-	785,400
4.	Dato' Lim Han Boon					



Audit and Non-Audit Fees

- (a) The amount of audit fees paid or payable to the external auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for FY 2020 amounted to RM755,600 and RM110,000 respectively.
- (b) The amount of non-audit fees paid or payable to the external auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for the FY 2020 amounted to RM175,210 and RM27,500 respectively.

Material Contracts

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

AUDIT COMMITTEE REPORT

The report of the Audit Committee ("Committee") of LBS for the financial year ended 31 December 2020 ("FY2020") is presented as follows:

A. COMPOSITION AND ATTENDANCE

The Committee comprises three members, all of whom are Independent Non-Executive Directors. Datuk Lim Tong Lee, the Chairman of the Committee, is a Fellow Member of the Association of Chartered Certified Accountants of the United Kingdom, as well as a member of both the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

During FY2020, the Committee held five (5) meetings. The details of the membership and record of attendance of these meetings are as follows:

COMMITTEE MEMBER	APPOINTMENT	ATTENDANCE	
Datuk Lim Tong Lee Chairman, Independent Non-Executive Director	04.06.2013	5	100%
Datuk Dr. Haji Baharum Bin Haji Mohamed Member/Senior Independent Non-Executive Director	20.08.2013	5	100%
Datuk Lim Si Cheng Member/Independent Non-Executive Director	20.08.2013	5	100%

The Committee's effectiveness during FY2020 was assessed via evaluation questionnaires under the annual assessment and evaluation of the Board and Board Committees by the Nomination and Remuneration Committee. This review served to assess the structure, membership, role and performance of the Committee. Results of the evaluation were tabled to the Board members for deliberation. The Board is satisfied that the Committee has effectively discharged their functions, duties, and responsibilities in accordance with its Terms of Reference.

During FY2020, the Committee appointed an Executive Director who is responsible for the Group's corporate function in Accounts and Finance, as well as the General Manager of Accounts and Finance Department, to present on all matters pertaining to accounting and audit issues. The Audit Committee meetings were also attended by the External Auditors to discuss audit matters and the Internal Auditors to discuss the internal audit reports and all related matters.

The full version of the Terms of Reference of the Audit Committee is published on the Company's website at www.lbs.com.my.



B. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following summarises the activities of the Audit Committee in discharging its functions and duties during the year under review:

1. Financial Reporting:

- Reviewed the audited financial statements of the Group for the year ended 31 December 2019 with the External Auditors. These statements include the audit report, issues and reservations arising from the statutory audit prior to recommending the same to the Board for approval.
- Reviewed the unaudited quarter financial results and audited financial statements of the Company, inclusive of changes in accounting policies and practices, significant adjustments arising from the audit, major judgement areas, significant and unusual events, the going concern assumption and compliance with accounting standards, as well as other legal requirements for the Board of Directors' approval before releasing the final statement to the authorities.
- Reviewed the impact of any changes to the accounting standards and adoption of new accounting standards on the Group's Financial Statements.

2. External Audit:

- Reviewed the External Auditors' scope of work and annual audit plan of the Company and the Group for FY2020 inclusive of the audit approach, areas of audit emphasis, timeline for reporting and deliverables prior to the commencement of the annual audit.
- Reviewed the extent of assistance rendered by the Management as well as issues and reservations arising from audits with the External Auditors with the presence of the Management and the executive Board members.
- Assessed and evaluated the performance, independence and suitability of the External Auditors for re-appointment as Auditors of the Company and made recommendations to the Board with respect to their re-appointment and fees with reference to the approved External Auditor Policy. This Policy outlines guidelines and procedures for the Audit Committee to assess and monitor the external Auditor in order to preserve the integrity and credibility of the external audit process. The assessment was undertaken with written assurance from the External Auditors of their independence including policies and measures used to control their work quality.

3. Internal Audit:

- Please refer to Section D of this Report.

4. Risk Management:

- Reviewed the risk management framework and the risk profile of the Group.

Audit Committee Report (Cont'd)

B. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

5. Related Party Transactions:

- Reviewed the procedures of the proposed renewal of general mandate for recurrent related party transactions ("RPTs") of a revenue or trading nature to ensure the adequacy and appropriateness of the compliance procedures established to monitor the RPTs.

6. Other Matters:

- Reviewed the verification work on the allocation of options to employees under the LBS Employees' Share Option Scheme ("ESOS").
- Reviewed the Company's Audit Committee Report and Statement on Risk Management and Internal Control before recommending the same to the Board for inclusion in the Company's Annual Report 2019.
- Reported to the Board of Directors on significant issues and concerns discussed at the Committee's meetings together with the appropriate recommendations.
- No whistleblowing case was reported, so there was no investigation conducted.

C. STATEMENT BY COMMITTEE ON THE COMPANY'S ESOS

The Committee, with the assistance of verification work performed by the external Auditors, is satisfied that the allocation of options pursuant to the Company's ESOS during FY2020 has complied with the criteria set out in the ESOS By-laws.

D. INTERNAL AUDIT FUNCTION

The Internal Auditors adopted a risk-based auditing approach approved by the Audit Committee whilst taking into account the standards set by recognised professional bodies, global best practices and industry standards.

Besides reviewing the findings of the internal control system of the Group, the Internal Auditors also provide recommendations to improve such internal controls. The Internal Audit Reports and relevant follow-up reports, together with the Management's responses, were circulated to all members of the Committee for review and discussion before the Committee Meeting on a quarterly basis. Upon the recommendation of the Committee, the Internal Audit Reports were tabled at the Board Meeting for approval. Overall, no significant control issues were identified although several process and control improvements were proposed, with follow-up audits scheduled where necessary. The total cost incurred for maintaining the internal audit function for FY2020 was RM100,000.00 (FY2019: RM100,000.00).



D. INTERNAL AUDIT FUNCTION (CONT'D)

The following is a summary of the Internal Audit works undertaken during FY2020:

- i. Performed risk-based audit on the Group's business units or processes in accordance with the approved Internal Audit Plan, which covered the following areas:
 - (i) Project Management;
 - (ii) Project Closure and Handover Processes;
 - (iii) Credit Administration;
 - (iv) Treasury Management;
 - (v) Human Resources Management;
 - (vi) General IT Controls;
 - (vii) Project Procurement and Tender Management; and
 - (viii) Contract Management
- ii. Issued internal audit reports to the Audit Committee with weaknesses and issues identified;
- iii. Made recommendations for improvement on processes where weaknesses and/or non-compliances were identified;
- iv. Undertook follow-up on matters or concerns raised by Audit Committee and reported on status periodically; and
- v. Conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendation and provided updates on the status to the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

As stated in Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements, the Board of Directors ("Board") of listed companies are required to include a "statement about the state of internal control of the listed issuer as a company" in their annual report. In addition, the Malaysian Code on Corporate Governance 2017 issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. Accordingly, the Board of LBS Bina Group Berhad ("LBS" or "the Company") is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities, which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system, as well as reviewing its adequacy, effectiveness and integrity. The Board recognises that there are inherent limitations to any system of internal control as it is designed to manage the Company's risk within the acceptable risk appetite, rather than to eliminate risks that may hinder the achievement of the Company's business objectives. It can therefore provide reasonable assurance, and not absolute assurance against material misstatement or loss. The Board has established an appropriate control structure and process for identifying, evaluating, monitoring, managing and responding to significant risks faced by the Company in its achievement of the business goals and objectives. The control structure and process which have been instituted throughout the Company are reviewed and updated from time to time in response to the changes in the business environment.

RESPONSIBILITY OF THE AUDIT COMMITTEE

The Audit Committee is responsible for the following:

- Reviewing and approving the risk dashboard and risk-based Internal Audit Plan;
- Ensuring that the business objectives of the Company are achieved; and
- Reviewing and monitoring the internal audit function/external service provider engaged to ensure timely completion of Internal Audit Plan and effectiveness and implementation of any corrective actions plans proposed.

RESPONSIBILITY OF THE MANAGEMENT

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the Risk Management Committee ("RMC"), which comprises LBS Directors and Heads of major operation units. The roles of RMC include the following:

- Identifying and evaluating the risks faced by the respective departments, against the business objectives set out by the Company;
- Formulating relevant policies and procedures to manage these risks;
- Designing, implementing and monitoring the effectiveness of the risk management framework and internal control system; and
- Reporting to the Board and Audit Committee of any changes to the risks and corrective actions taken.



RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

Risk Management Framework

- The Risk Management Framework ("ERM") at LBS provides the foundation and process to guide the Company on how risks are managed in the Company.
- The ERM is aligned with the framework and guidance issued by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") and ISO 31000 – Risk Management Principles and Guidelines.
- The Company engaged an external service provider, Deloitte Risk Advisory Sdn Bhd ("Deloitte"), to facilitate a risk control self-assessment exercise with various stakeholders. A risk analysis and evaluation were performed by Deloitte to update the existing risk registers. The RMC establishes a set of risk treatment plans and responses to risks to assist the Company in making sound business decisions. The Audit Committee and Board have an oversight role to review and deliberate on the Company's top risks.
- There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

Internal Audit

- The Internal Audit function has been outsourced to Deloitte with staff strength from diverse backgrounds and qualifications. It is headed by the Executive Director who has vast experiences in the areas of financial and operational audits, to provide independent assurance and consulting activities, which serves to assist the Company in achieving its objectives.
- The services are performed in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (the "IIA Standards").
- The engagement is free from any relationships or conflict of interest, which could impair the objectivity and independence.
- The areas reviewed by Deloitte during the financial year 2020 are as follows:
 - (i) Project Procurement and Tender Management
 - (ii) Contract Management
 - (iii) Human Resource Management
 - (iv) General IT Controls
 - (v) Project Management
 - (vi) Credit Administration
 - (vii) Project Closure and Handover
 - (viii) Treasury Management
- Deloitte has undertaken a planning process to develop a risk-based Internal Audit Plan based on a risk- assessment and review of the risk profile. The Internal Audit focus will be on selected key risk areas as appropriate to the objective and scope of the engagement. The internal audit activities are carried out in accordance with the Internal Audit Plan approved by the Audit Committee.
- Deloitte evaluated the adequacy and operating effectiveness of risk and internal control process, and subsequently highlighted any findings in respect of any non-compliance with policies and procedures and areas of improvement. Root-cause analysis on audit observation were conducted in developing recommendation to address weaknesses noted.

Statement On Risk Management And Internal Control (Cont'd)

Internal Audit (Cont'd)

- The resulting reports from the audits undertaken, including the overall internal controls assessment on the auditable areas, are presented to the Audit Committee at its regular meetings.
- Follow up audits are performed to ensure the Management Action Plans for any observations identified are rectified in a timely manner.
- The Audit Committee meets to review, discuss and direct actions on matters pertaining to reports. The outcomes are then forwarded to the operational management for attention and necessary actions. The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are implemented within the required time frame.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the LBS Group.

CONCLUSION

The Board has received reasonable assurance from the Group Managing Director and Executive Director, who are both responsible for the financial affairs of the Company, that the risk management framework and internal control system established are operating adequately and effectively, in all material respects, based on the risk management model adopted by the Company. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Company for the financial year under review.



RECURRENT RELATED PARTY TRANSACTION

The details of the Recurrent Related Party Transaction which the Company entered into during the financial year ended 31 December 2020 pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are as follows:-

No.	Related Party	Nature of Recurrent Transaction	Value of Transaction (RM'000)	Nature of relationship between LBS Group and the Related Party
1	Maj (Hon) Dato' Sri Lim Hock Sing	Purchase of properties	1,363.6	Maj (Hon) Dato' Sri Lim Hock Sing is the Executive Director of the Company.
2	Maj (Hon) Dato' Sri Lim Hock Sing	Purchase of properties	734.2	Maj (Hon) Dato' Sri Lim Hock Sing is the Executive Director of the Company.



Financial Statements

DIRECTORS' REPORT	169 - 177
STATEMENT BY DIRECTORS	178
STATUTORY DECLARATION	179
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	180 - 184
STATEMENTS OF FINANCIAL POSITION	185 - 187
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	188 - 189
STATEMENTS OF CHANGES IN EQUITY	190 - 195
STATEMENTS OF CASH FLOWS	196 - 202
NOTES TO THE FINANCIAL STATEMENTS	203 - 339



Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of its subsidiary companies are disclosed in Note 53 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	74,546,478	30,557,131
Attributable to:		
Owners of the parent	51,322,168	30,557,131
Non-controlling interests	23,224,310	-
	74,546,478	30,557,131

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the last financial year, the Company paid:

RM

Ordinary Shares

In respect of the financial year ended 31 December 2019:

Share dividend distribution of 45,484,206 treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company, distributed on 14 August 2020 21,832,246

Redeemable Convertible Preference Shares ("RCPS")

In respect of the financial year ended 31 December 2020:

A preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS, was paid on 31 December 2020 6,210,536

28,042,782

On 17 May 2021, the Directors proposed a first and final single-tier dividend of 1.45 sen per ordinary share in respect of the financial year ended 31 December 2020. The proposed dividend is subject to the approval of the shareholders at the forthcoming 21st Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividend proposed on 17 May 2021. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

Directors' Report (Cont'd)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from 1,567,111,011 to 1,569,245,151 by way of issuance of 2,134,140 new ordinary shares as follows:

- (a) 739,098 new ordinary shares pursuant to the conversion of 739,098 Warrants B at exercise price of RM0.56 per ordinary share.
- (b) 1,395,042 new ordinary shares with the conversion ratio of 11 new ordinary shares for 10 RCPS pursuant to the conversion of 1,268,220 RCPS.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 27 July 2020, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 31,751,400 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.43 per share. The total consideration paid for the repurchase including transaction costs was RM13,584,876. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 December 2020, the total number of treasury shares held by the Company was 7,584,694 out of the total 1,569,245,151 issued ordinary shares. Further relevant details are disclosed in Note 24 to the financial statements.

WARRANTS

Warrants 2015/2020 ("Warrants B")

The Warrants B were constituted under the Deed Poll dated 3 September 2015.

During the financial year, a total of 739,098 warrants were exercised before the expiry date of the warrants on 2 October 2020 ("Expiry Date"), which resulted in 739,098 new ordinary shares being allotted, issued and listed. As at Expiry Date, 99,210,164 unexercised warrants become null, void and ceased to be exercisable and the same amount was removed from the official list of Bursa Malaysia Securities Berhad with effect from 5 October 2020.

The salient terms of the Warrants B are disclosed in Note 25(e) to the financial statements.

Details of Warrants B issued to Directors are disclosed in the section of Directors' Interests in this report.



OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has established an Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS shall be in force for a period of 10 years from 18 September 2012 to 17 September 2022. The salient features and other terms of the ESOS and the movement of options over unissued shares of the Company granted under the ESOS during the financial year are disclosed in Note 41 to the financial statements.

Details of the options granted to Directors are disclosed in the section of Directors' Interests in this report.

REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2020, the total number of RCPS that remain unexercised were 94,099,035.

The salient terms of the RCPS are disclosed in Note 23 to the financial statements.

Details of RCPS issued to Directors are disclosed in the section of Directors' Interests in this report.

DIRECTORS

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

Tan Sri Dato' Sri Lim Hock San, PSM, SSAP, DSSA, JP *	
Datuk Wira Lim Hock Guan, DCSM, DMSM, PJK, JP *	
Maj (Hon) Dato' Sri Lim Hock Sing, SSAP, DIMP, JP *	
Dato' Sri Lim Hock Seong, SSAP, DMSM **	
Dato' Lim Mooi Pang, DIMP *	
Datuk Dr. Haji Baharum Bin Haji Mohamed, DMSM, AMN, PIS*	
Datuk Lim Si Cheng, PJN, PIS	
Datuk Lim Tong Lee, DPSM	
Dato' Lim Han Boon, DIMP	(Appointed on 27.08.2020)
Lim Kim Kiat*^	(Appointed on 01.01.2021)
Dato' Chia Lok Yuen, DIMP *	(Resigned on 31.12.2020)
Dato' Seri Lim Bock Seng, SSSA, DPMS, AMN	(Resigned on 01.03.2021)

* Director of the Company and its subsidiary companies.

^ He was also appointed as Alternate Director of Dato' Chia Lok Yuen for the Company on 30 June 2020 and ceased as Alternate Director consequential from Dato Chia Lok Yuen's resignation on 31 December 2020.

He was also appointed as Alternate Director of Dato' Chia Lok Yuen for certain subsidiary companies on 5 March 2020, 13 May 2020, 3 June 2020 or 18 June 2020 and ceased as Alternate Director consequential from Dato Chia Lok Yuen's resignation on 19 October 2020 or 31 December 2020.

Directors' Report (Cont'd)

DIRECTORS (CONT'D)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Azhar Bin Mohd Shariff	
Chai Chee Seng	
Chang Bar Kuei	
Chen Kaisheng	
Chin Sui Yin	
Cheng Xiao Qi	
Datin Sri Rose Aliza Binti Tok Muda Haji Ahmad Baharuddin	
Dato' Abdol Majit Bin Ahmad Khan, DIMP	
Dato' Anuar Bin Ahmed	(Appointed on 05.11.2020)
Dato' Beh Hang Kong, DSIS	
Dato' Mohd Abdah Bin Mohd Alif	
Dato' Norzaity Binti Othman	(Appointed on 01.03.2021)
Dato' Sri Adnan Bin Wan Mamat	
Datuk Abdul Rashid Bin Asari	
Datuk Azizulakhir Bin Abdul Wahab	
Datuk Hendri Bin Dahlan	
Datuk Lim Lit Chek, DPSP	
Datuk Mohd Anis Hisham Bin Abdul Aziz	
Datuk Pang Shee Pak	
Datuk Yakubah Khan	
Fauziah Binti Tak	
Fu JianGuo	
Lim Kim Hoe	
Loh Kam Seng	
Mohamad Najib Bin Saad	
Nadhirah Binti Abdul Karim	
Tan Boon Sang	
Tan Seng Teong	
Victor Gu Chian Peow	
Wong Kok Ching	
Wong Tack Leong (Alternate Director of Lim Kim Hoe)	(Appointed on 03.02.2021)
Xia Zong Ming	
Yeo Chee Chong	
Zhan Jinyuan	
Dato' Seri Iskandar Michael Bin Abdullah	(Resigned on 17.06.2020)
Wong Kok Fong @ Wong Kam Fatt	(Resigned on 25.02.2020)
Tong Teek Yam	(Resigned on 23.10.2020)
Muhammad Zameer Bin Mazlan	(Resigned on 24.12.2020)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.



DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares, warrants, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	At 1.1.2020/ Date of appointment*	Number of ordinary shares			At 31.12.2020
		Acquired	Share dividend distribution [^]	Disposed	
Gaterich Sdn. Bhd.					
Direct Interests					
Tan Sri Dato' Sri Lim Hock San	2,500,000	-	-	-	2,500,000
Datuk Wira Lim Hock Guan	1,000,000	-	-	-	1,000,000
Maj (Hon) Dato' Sri Lim Hock Sing	750,000	-	-	-	750,000
Dato' Sri Lim Hock Seong	750,000	-	-	-	750,000
LBS Bina Group Berhad					
Direct Interests					
Tan Sri Dato' Sri Lim Hock San	30,398,559	-	911,955	-	31,310,514
Datuk Wira Lim Hock Guan	27,311,111	-	819,333	-	28,130,444
Maj (Hon) Dato' Sri Lim Hock Sing	345,000	610,000	16,650	400,000	571,650
Dato' Sri Lim Hock Seong	8,150,916	-	244,527	-	8,395,443
Dato' Lim Mooi Pang	5,111,903	250,000	160,856	-	5,522,759
Lim Kim Kiat	662,200*	-	19,866	-	682,066
Datuk Dr. Haji Baharum Bin Haji Mohamed	261,800	-	7,854	-	269,654
Datuk Lim Si Cheng	261,800	-	7,854	-	269,654
Indirect Interests					
Dato' Seri Lim Bock Seng ¹	287,100	-	8,613	-	295,713
Tan Sri Dato' Sri Lim Hock San ²	650,849,454	1,330,000	16,451,765	103,787,200	564,844,019
Datuk Wira Lim Hock Guan ²	648,785,304	1,330,000	16,409,706	103,125,000	563,400,010
Maj (Hon) Dato' Sri Lim Hock Sing ¹	597,360	-	17,920	-	615,280
Dato' Sri Lim Hock Seong ¹	353,375	-	10,600	-	363,975

Directors' Report (Cont'd)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The interests and deemed interests in the shares, warrants, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of Warrants B				At 31.12.2020
	At 1.1.2020/ Date of appointment*	Acquired	Disposed	Lapsed	
LBS Bina Group Berhad					
Direct Interests					
Datuk Wira Lim Hock Guan Maj (Hon) Dato' Sri Lim Hock Sing	4,327,598	-	2,479,200	1,848,398	-
Dato' Sri Lim Hock Seong	2,210,450	-	-	2,210,450	-
Lim Kim Kiat	110*	-	-	110	-
Indirect Interests					
Dato' Seri Lim Bock Seng ¹	80,850	-	42,300	38,550	-
Tan Sri Dato' Sri Lim Hock San ²	35,721,320	-	-	35,721,320	-
Datuk Wira Lim Hock Guan ²	35,521,285	-	-	35,521,285	-
Maj (Hon) Dato' Sri Lim Hock Sing ¹	106,700	-	86,900	19,800	-

Number of options over ordinary shares ("ESOS")

	At 1.1.2020/ Date of appointment*		At 31.12.2020	
	Granted	Exercised	Granted	Exercised
LBS Bina Group Berhad				
Direct Interests				
Lim Kim Kiat	374,440*	-	-	374,440
Datuk Lim Tong Lee	785,400	-	-	785,400
Datuk Dr. Haji Baharum Bin Haji Mohamed	523,600	-	-	523,600
Datuk Lim Si Cheng	523,600	-	-	523,600



DIRECTORS' INTERESTS IN SHARES (CONT'D)

The interests and deemed interests in the shares, warrants, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	At 1.1.2020	Number of RCPS		At 31.12.2020
		Acquired	Converted/ Disposed	
LBS Bina Group Berhad				
Direct Interests				
Datuk Dr. Haji Baharum				
Bin Haji Mohamed	23,800	-	-	23,800
Datuk Lim Si Cheng	23,800	-	-	23,800
Indirect Interests				
Tan Sri Dato' Sri Lim Hock San ²	158,000	-	-	158,000
Maj (Hon) Dato' Sri				
Lim Hock Sing ¹	38,800	-	-	38,800
Dato' Sri Lim Hock Seong ¹	20,750	-	-	20,750

Note:

- ¹ Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company.
- ² Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company and Section 8 of the Companies Act 2016 by virtue of his direct interests in Gaterich Sdn. Bhd
- [^] Receipt of ordinary shares on 14 August 2020 pursuant to the distribution of a first and final single tier dividend via a share dividend distribution on the basis of 3 treasury shares for every 100 ordinary shares held in the Company ("Share dividend distribution") for the financial year ended 31 December 2019

By virtue of their interests in the shares of the Company, Tan Sri Dato' Sri Lim Hock San and Datuk Wira Lim Hock Guan are also deemed to have interests in the shares of all the subsidiary companies to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 45(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 45(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from warrants, ESOS and RCPS.

Directors' Report (Cont'd)

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM20 million and RM30,000 respectively. No indemnity was given to or insurance effected for auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.



SIGNIFICANT EVENT

The significant event is disclosed in Note 49 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 50 to the financial statements.

HOLDING COMPANY

The Directors regard Gaterich Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as holding company.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 53 to the financial statements.

AUDITORS

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 38 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 May 2021.

TAN SRI DATO' SRI LIM HOCK SAN

KUALA LUMPUR

MAJ (HON) DATO' SRI LIM HOCK SING

Statement By Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 185 to 339 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 May 2021.

TAN SRI DATO' SRI LIM HOCK SAN

MAJ (HON) DATO' SRI LIM HOCK SING

KUALA LUMPUR



Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Dato' Lim Mooi Pang, being the Director primarily responsible for the financial management of LBS Bina Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 185 to 339 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 17 May 2021)

DATO' LIM MOOI PANG

Before me,

**No. W790
Zainul Abidin Bin Ahmad
COMMISSIONER FOR OATHS**

Independent Auditors' Report

To the Members Of LBS Bina Group Berhad

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

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LBS Bina Group Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 185 to 339.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

How we addressed the key audit matters

1. Land held for property development and property development costs and revenue recognition

Property development revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.

This requires the estimation of selling prices, sales rates and costs to complete, determined on a project by project basis. These factors drive the gross margin for each project and hence the profit recognised at the point of sale.

There is a risk that the actual revenue and costs are different to those forecast across the whole projects resulting in material misstatement of land held for property development and property development costs and gross profit recognised.

There is also a risk that costs are inappropriately recognised within land held for property development and property development costs or that the allocation of costs that relate to the whole projects, such as land and infrastructure costs, is inappropriate across development phases, resulting in a material misstatement of land held for property development and property development costs or gross profit of each project.

We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation of such controls.

We checked the revenue recognised, on a sample basis, by agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion.

We checked the stage of completion of property development projects, on a sample basis, to internal or external quantity surveyors' certifications.

We corroborated, on a sample basis, the certified stage of completion with the level of completion based on actual costs incurred to-date over the estimated total property development costs.

We agreed, on a sample basis, costs incurred to supporting documentation such as subcontractor claim certificates and invoices from vendors.

We checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, contracts and variation orders with sub-contractors.

We inspected the sales and purchase contracts for all significant new land acquisitions to understand the terms and identify any deferred or contingent payments therein.

Independent Auditors' Report

To the Members Of LBS Bina Group Berhad (Cont'd)

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

(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key audit matters

How we addressed the key audit matters

2. Goodwill impairment review

The Group has significant goodwill allocated to the property development cash-generating units ("CGUs"). Goodwill shall be tested for impairment annually in accordance to MFRS 136 *Impairment of Assets*. The estimation of recoverable amount is complex and significant judgement is required for estimates, specifically cash flows projections, discount rates and short-term growth rates. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, this is the key judgemental area that our audit was concentrated on.

We assessed the reasonableness of the cash flows forecasts and supporting evidence of the underlying assumptions, by checking to approved budgets and comparing expected growth rates to relevant market expectations.

We performed sensitivity analysis on the key inputs to the impairment model, to understand the impact that reasonably possible changes to key assumptions would have on the overall carrying amount of the goodwill at the end of the reporting period.

We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities.



Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

To the Members Of LBS Bina Group Berhad (Cont'd)

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

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 53 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM YANG YUE
Approved Number: 03544/12/2022 J
Chartered Accountant

KUALA LUMPUR
17 May 2021



Statements of Financial Position

As At 31 December 2020

		Group	
	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	44,140,593	42,054,415
Right-of-use assets	5	307,974,183	310,928,483
Capital work-in-progress	6	123,133,270	84,800,715
Inventories	7	1,296,756,020	1,478,792,061
Investment properties	8	147,880,303	164,247,318
Investment in associates	10	2,599,930	2,561,521
Other investments	11	576,000	50,392,672
Intangible assets	12	347,177	1,526,911
Goodwill on consolidation	13	97,955,003	113,165,843
Trade receivables	14	3,984,661	3,368,268
Total non-current assets		2,025,347,140	2,251,838,207
Current assets			
Inventories	7	962,887,513	825,463,666
Contract assets	15	545,541,058	388,233,630
Trade receivables	14	201,646,001	409,942,829
Other receivables	16	172,563,570	119,643,263
Amount due from associates	18	7,247	12,296
Other investments	11	-	9,620,634
Tax recoverable		5,290,057	4,744,821
Fixed deposits with licensed banks	19	20,620,182	58,166,355
Cash held under Housing Development Accounts	20	153,675,969	105,407,345
Cash and bank balances	21	127,903,940	112,829,690
		2,190,135,537	2,034,064,529
Assets held for sale	22	338,772	4,087,940
Total current assets		2,190,474,309	2,038,152,469
Total assets		4,215,821,449	4,289,990,676

Statements of Financial Position

As At 31 December 2020 (Cont'd)

		Group	
	Note	2020 RM	2019 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	23	922,887,304	922,473,410
Treasury shares	24	(2,685,339)	(10,932,709)
Other reserves	25	(160,877,032)	(161,956,290)
Retained earnings		617,768,806	599,070,312
Equity attributable to owners of the parent		1,377,093,739	1,348,654,723
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	26	130,000,000	-
Non-controlling interests		119,461,760	109,809,808
Total equity		1,626,555,499	1,458,464,531
Non-current liabilities			
Trade payables	27	459,095,497	449,003,146
Other payables	28	52,354,151	49,892,363
Lease liabilities	29	24,469,563	27,553,165
Bank borrowings	30	355,809,486	498,755,480
Sukuk Murabahah ("Sukuk")	31	75,622,000	84,824,000
Deferred tax liabilities	32	655,766	3,722,975
Total non-current liabilities		968,006,463	1,113,751,129
Current liabilities			
Contract liabilities	15	31,097,683	53,928,881
Trade payables	27	451,691,325	516,783,000
Other payables	28	452,629,862	444,609,479
Bank overdrafts	33	79,912,915	93,794,619
Lease liabilities	29	13,472,885	14,349,509
Bank borrowings	30	555,293,053	510,001,584
Sukuk Murabahah ("Sukuk")	31	9,202,000	4,452,000
Redeemable Convertible Preference Shares ("RCPS")	34	-	20,000,000
Amount due to an associate	18	69,283	7,200
Tax payable		27,890,481	59,848,744
Total current liabilities		1,621,259,487	1,717,775,016
Total liabilities		2,589,265,950	2,831,526,145
Total equity and liabilities		4,215,821,449	4,289,990,676



		Company	
	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,925	3,375
Investment in subsidiary companies	9	637,789,530	636,645,011
Amount due from subsidiary companies	17	284,964,594	284,964,594
Total non-current assets		922,757,049	921,612,980
Current assets			
Other receivables	16	3,025,560	2,049,962
Other investments	11	-	2,168,854
Amount due from subsidiary companies	17	383,225,178	275,844,335
Fixed deposits with licensed banks	19	983,492	25,131,609
Cash and bank balances	21	16,437,344	10,230,119
Total current assets		403,671,574	315,424,879
Total assets		1,326,428,623	1,237,037,859
EQUITY AND LIABILITIES			
Equity			
Share capital	23	922,887,304	922,473,410
Treasury shares	24	(2,685,339)	(10,932,709)
Other reserves	25	4,421,701	4,481,102
Retained earnings		39,568,170	41,450,749
Equity attributable to owners of the parent		964,191,836	957,472,552
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	26	130,000,000	-
Total equity		1,094,191,836	957,472,552
Non-current liability			
Bank borrowings	30	14,500,000	49,000,000
Total non-current liability		14,500,000	49,000,000
Current liabilities			
Other payables	28	1,228,292	1,461,728
Bank overdrafts	33	2,920,453	2,500,588
Bank borrowings	30	183,280,548	219,454,878
Amount due to subsidiary companies	17	29,299,171	-
Tax payable		1,008,323	7,148,113
Total current liabilities		217,736,787	230,565,307
Total liabilities		232,236,787	279,565,307
Total equity and liabilities		1,326,428,623	1,237,037,859

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2020

		2020 RM	Group 2019 RM
Revenue	35	1,096,331,057	1,325,259,784
Cost of sales	36	(769,360,475)	(954,007,764)
Gross profit		326,970,582	371,252,020
Other income		24,015,542	22,580,088
Administrative and operating expenses		(177,762,920)	(179,296,137)
Changes on impairment of financial instruments and contract assets		532,592	(122,237)
Profit from operations		173,755,796	214,413,734
Finance costs	37	(42,852,271)	(60,389,404)
Share of profit of associates, net of tax		86,676	40,514
Profit before tax	38	130,990,201	154,064,844
Taxation	39	(56,443,723)	(65,486,799)
Net profit for the financial year		74,546,478	88,578,045
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Exchange translation differences for foreign operations		3,185,371	(886,887)
Net fair value changes of financial assets measured at fair value through other comprehensive income ("FVTOCI")		228,789	12,952,860
		3,414,160	12,065,973
Total comprehensive income for the financial year		77,960,638	100,644,018



		Group	
	Note	2020 RM	2019 RM
Net profit for the financial year attributable to:			
Owners of the parent		51,322,168	67,511,167
Non-controlling interests		23,224,310	21,066,878
		74,546,478	88,578,045
Total comprehensive income for the financial year attributable to:			
Owners of the parent		54,468,927	79,179,608
Non-controlling interests		23,491,711	21,464,410
		77,960,638	100,644,018
Earnings per share attributable to owners of the parent (sen)			
Basic earnings per share	40(a)	2.65	3.93
Diluted earnings per share	40(b)	2.65	3.90
		Company	
	Note	2020 RM	2019 RM
Revenue	35	34,265,000	35,530,000
Other income		13,393,612	17,115,530
Administrative and operating expenses		(6,280,373)	(6,109,705)
Net loss on impairment of financial instruments		(4,758)	-
		41,373,481	46,535,825
Profit from operations		41,373,481	46,535,825
Finance costs	37	(9,346,926)	(15,524,347)
		32,026,555	31,011,478
Profit before tax	38	32,026,555	31,011,478
Taxation	39	(1,469,424)	(2,645,583)
		30,557,131	28,365,895
Net profit for the financial year, representing total comprehensive income for the financial year		30,557,131	28,365,895

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2020

Group	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	RCPS	Other reserves	Treasury shares	Retained earnings			
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2019								
- as previously reported	809,603,740	112,628,599	(140,161,978)	(88,081)	567,471,557	1,349,453,837	67,600,591	1,417,054,428
- effect of adopting MFRS 16	-	-	-	-	8,664	8,664	-	8,664
At 1 January 2019, as restated	809,603,740	112,628,599	(140,161,978)	(88,081)	567,480,221	1,349,462,501	67,600,591	1,417,063,092
Net profit for the financial year	-	-	-	-	67,511,167	67,511,167	21,066,878	88,578,045
Foreign exchange translation reserve	-	-	(1,284,419)	-	-	(1,284,419)	397,532	(886,887)
Net fair value changes of financial assets measured at FVTOCI	-	-	12,952,860	-	-	12,952,860	-	12,952,860
Transfer upon the disposal of equity investment designated at FVTOCI	-	-	2,043,818	-	(2,043,818)	-	-	-
Total comprehensive income for the financial year	-	-	13,712,259	-	65,467,349	79,179,608	21,464,410	100,644,018



Group	Note	Attributable to owners of the parent					Total RM	Non- controlling interests RM	Total equity RM
		Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM			
Transactions with owners:									
Capital contribution from non-controlling interests		-	-	-	-	-	-	190,000	190,000
Changes in ownership interest in subsidiary companies	9(c)	-	-	(17,493,517)	-	-	(17,493,517)	1,268,482	(16,225,035)
Changes of stakes in a subsidiary company	9(d)	-	-	(17,486,469)	-	-	(17,486,469)	19,286,325	1,799,856
Dividends to owners of the parent	43	-	-	-	-	(34,346,552)	(34,346,552)	-	(34,346,552)
Issuance of ordinary shares:									
- Exercise of ESOS	23,25(b)	241,071	-	(57,291)	-	-	183,780	-	183,780
- Conversion of RCPS	23	7,724,618	(7,724,618)	-	-	-	-	-	-
Realisation of ESOS reserve	25(b)	-	-	(469,294)	-	469,294	-	-	-
Shares repurchased	24	-	-	-	(10,844,628)	-	(10,844,628)	-	(10,844,628)
		7,965,689	(7,724,618)	(35,506,571)	(10,844,628)	(33,877,258)	(79,987,386)	20,744,807	(59,242,579)
At 31 December 2019		817,569,429	104,903,981	(161,956,290)	(10,932,709)	599,070,312	1,348,654,723	109,809,808	1,458,464,531

Statements of Changes in Equity

For the Financial Year Ended 31 December 2020 (Cont'd)

Group	Note	Attributable to owners of the parent					Perpetual Total Sukuk RM	Non- controlling interests RM	Total equity RM	
		Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM				
At 1 January 2020		817,569,429	104,903,981	(161,956,290)	(10,932,709)	599,070,312	1,348,654,723	-	109,809,808	1,458,464,531
Net profit for the financial year		-	-	-	-	51,322,168	51,322,168	-	23,224,310	74,546,478
Foreign exchange translation reserve		-	-	2,917,970	-	-	2,917,970	-	267,401	3,185,371
Net fair value changes of financial assets measured at FVTOCI		-	-	228,789	-	-	228,789	-	-	228,789
Transfer upon the disposal of equity investment designated at FVTOCI		-	-	183,964	-	(183,964)	-	-	-	-
Total comprehensive income for the financial year		-	-	3,330,723	-	51,138,204	54,468,927	-	23,491,711	77,960,638
Transactions with owners:										
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	37,500	37,500
Changes in ownership interest in subsidiary companies	9(c)	-	-	(2,983,822)	-	-	(2,983,822)	-	(7,711,178)	(10,695,000)
Changes of stakes in a subsidiary company	9(d)	-	-	791,758	-	-	791,758	-	(1,936,277)	(1,144,519)



Group	Note	Attributable to owners of the parent					Total RM	Perpetual Sukuk RM	Non- controlling interests RM	Total equity RM
		Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM				
Transactions with owners: (Cont'd)										
Net changes of non-controlling interests	9(b)	-	-	-	-	-	-	9,580	9,580	
Disposal of subsidiary companies	9(f)	-	-	-	-	-	-	(39,299)	(39,299)	
Dividends to owners of the parent	43	-	-	-	21,832,246	(28,042,782)	(6,210,536)	-	(6,210,536)	
Dividends paid to non-controlling interests		-	-	-	-	-	-	(4,200,085)	(4,200,085)	
Distribution to Perpetual Sukuk holders		-	-	-	-	(4,456,329)	(4,456,329)	-	(4,456,329)	
Issuance of ordinary shares:										
- Conversion of RCPS	23	1,395,042	(1,395,042)	-	-	-	-	-	-	
- Exercise of warrants	23	413,894	-	-	-	-	413,894	-	413,894	
Issuance of Perpetual Sukuk	26	-	-	-	-	-	-	130,000,000	130,000,000	
Realisation of ESOS reserve	25(b)	-	-	(59,401)	-	59,401	-	-	-	
Shares repurchased	24	-	-	-	(13,584,876)	-	(13,584,876)	-	(13,584,876)	
		1,808,936	(1,395,042)	(2,251,465)	8,247,370	(32,439,710)	(26,029,911)	130,000,000	(13,839,759)	90,130,330
At 31 December 2020		819,378,365	103,508,939	(160,877,032)	(2,685,339)	617,768,806	1,377,093,739	130,000,000	119,461,760	1,626,555,499

Statements of Changes in Equity

For the Financial Year Ended 31 December 2020 (Cont'd)

Note	← Non-distributable →					→ Distributable →		Total RM
	Share capital RM	RCPS RM	ESOS reserves RM	Warrants reserves RM	Fair value reserves RM	Treasury shares RM	Retained earnings RM	
Company								
At 1 January 2019	809,603,740	112,628,599	5,007,687	21,352,823	(21,352,823)	(88,081)	46,962,112	974,114,057
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	-	28,365,895	28,365,895
Transactions with owners:								
Dividends to owners of the parent	43	-	-	-	-	-	(34,346,552)	(34,346,552)
Issuance of ordinary shares: - Exercise of ESOS	23,25(b)	241,071	-	(57,291)	-	-	-	183,780
- Conversion of RCPS	23	7,724,618	(7,724,618)	-	-	-	-	-
Realisation of ESOS reserve	25(b)	-	-	(469,294)	-	-	469,294	-
Shares repurchased	24	-	-	-	-	(10,844,628)	-	(10,844,628)
		7,965,689	(7,724,618)	(526,585)	-	(10,844,628)	(33,877,258)	(45,007,400)
At 31 December 2019	817,569,429	104,903,981	4,481,102	21,352,823	(21,352,823)	(10,932,709)	41,450,749	957,472,552



Note	← Non-distributable →						← Distributable →		Perpetual Sukuk RM	Total equity RM	
	Share capital RM	RCPS RM	ESOS reserves RM	Warrants reserves RM	Fair value reserves RM	Treasury shares RM	Retained earnings RM	Total RM			
Company											
At 1 January 2020	817,569,429	104,903,981	4,481,102	21,352,823	(21,352,823)	(10,932,709)	41,450,749	957,472,552	-	957,472,552	
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	-	30,557,131	30,557,131	-	30,557,131	
Transactions with owners:											
Dividends to owners of the parent	43	-	-	-	-	21,832,246	(28,042,782)	(6,210,536)	-	(6,210,536)	
Distribution to Perpetual Sukuk holders		-	-	-	-	-	(4,456,329)	(4,456,329)	-	(4,456,329)	
Issuance of ordinary shares:											
- Conversion of RCPS	23	1,395,042	(1,395,042)	-	-	-	-	-	-	-	
- Exercise of warrants	23	413,894	-	-	-	-	-	413,894	-	413,894	
Issuance of Perpetual Sukuk	26	-	-	-	-	-	-	-	130,000,000	130,000,000	
Realisation of ESOS reserve	25(b)	-	-	(59,401)	-	-	59,401	-	-	-	
Realisation of warrants reserves	25(e)	-	-	-	(157,871)	157,871	-	-	-	-	
Expiry of warrants	25(e)	-	-	-	(21,194,952)	21,194,952	-	-	-	-	
Shares repurchased	24	-	-	-	-	(13,584,876)	-	(13,584,876)	-	(13,584,876)	
		1,808,936	(1,395,042)	(59,401)	(21,352,823)	21,352,823	8,247,370	(32,439,710)	(23,837,847)	130,000,000	106,162,153
At 31 December 2020	819,378,365	103,508,939	4,421,701	-	-	(2,685,339)	39,568,170	964,191,836	130,000,000	1,094,191,836	

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2020

	2020 RM	Group 2019 RM
Cash flows from operating activities		
Profit before tax	130,990,201	154,064,844
Adjustments for:		
Accrual for claims and staff economic compensation	12,763	598,816
Allowance for impairment losses on:		
- Assets held for sale	88,856	-
- Contract assets	-	157,164
- Goodwill arising on consolidation	15,210,840	342,113
- Investment in associates	48,268	250,826
- Investment properties	523,457	24,437
- Other investments	34,000	150,000
- Property, plant and equipment	-	15,223
- Right-of-use assets	86,891	-
- Trade and other receivables	1,474,564	1,903,906
Amortisation of intangible assets	1,179,734	806,082
Bad debts written off	738,600	691,046
Capital work-in-progress written off	-	255,839
Deposits written off	18,883	175,453
Depreciation of:		
- Investment properties	2,253,271	2,477,337
- Property, plant and equipment	9,961,893	10,102,524
- Right-of-use assets	23,583,485	21,211,644
Fair value loss/(gain) on revaluation of financial assets measured at fair value through profit or loss ("FVTPL")	8,481	(16,029)
Finance costs	42,852,271	60,389,404
Prepayment written off	446,019	-
Property, plant and equipment written off	20,163	136,161
Property development costs written off	439,566	11,537
Unrealised loss/(gain) on foreign exchange	589,391	(73,415)
Waiver of interest income	1,479,115	1,039,057
Balance carried down	232,040,712	254,713,969



	2020	Group
	RM	2019
		RM
Cash flows from operating activities (Cont'd)		
Balance brought down	232,040,712	254,713,969
Bargain purchase gain	(12,353)	-
Claims accrued in prior years no longer required	(6,928,283)	-
Contingency sum accrued in prior years no longer required	(19,515,780)	(23,870,304)
Dividend income from:		
- Financial assets measured at FVTOCI	-	(1,459,042)
- Financial assets measured at FVTPL	(82,971)	(479,247)
Fair value adjustment on trade receivables	(52,183)	117,083
(Gain)/Loss on disposal of:		
- Assets held for sale	(579,985)	-
- Financial assets measured at FVTPL	(4,336)	-
- Investment properties	(3,115,141)	89,459
- Investment in a subsidiary company	40,902	-
- Property, plant and equipment	(276,238)	(256,003)
- Right-of-use assets	(258,251)	(445,393)
Income from rent concessions	(39,260)	-
Interest income	(4,190,921)	(5,668,510)
Reversal of allowance for impairment losses on trade and other receivables	(2,007,156)	(1,938,833)
Share of profit of associates, net of tax	(86,676)	(40,514)
Waiver of debts	(3,535)	(54,055)
Operating profit before working capital changes	194,928,545	220,708,610

Statements of Cash Flows

For the Financial Year Ended 31 December 2020 (Cont'd)

	2020 RM	Group 2019 RM
Cash flows from operating activities (Cont'd)		
Operating profit before working capital changes (Cont'd)	194,928,545	220,708,610
Changes in working capital:		
Inventories	60,651,651	80,587,463
Contract assets	(157,307,428)	(184,300,740)
Contract liabilities	(22,831,198)	902,491
Trade receivables	205,521,789	296,770,586
Other receivables	(45,975,625)	(19,476,491)
Trade payables	(36,735,492)	80,999,459
Other payables	46,066,387	(25,640,013)
Amount due from an associate	67,132	(12,296)
Foreign exchange reserve	(3,313,476)	3,119,910
	46,143,740	232,950,369
Cash generated from operations	241,072,285	453,658,979
Dividends received	-	1,459,042
Interest received	4,190,921	5,668,510
Interest paid	(58,133,352)	(93,503,709)
Tax paid	(98,726,110)	(65,937,321)
Tax refund	3,908,858	3,108,417
	(148,759,683)	(149,205,061)
Net cash from operating activities	92,312,602	304,453,918



		Group	
	Note	2020 RM	2019 RM
Cash flows used in investing activities			
Additional investment in:			
- An associate		(1)	-
- Subsidiary companies		(10,949,519)	(3,839,469)
- Financial assets measured at FVTPL		(14,600,000)	(32,046,738)
Capital work-in-progress incurred		(38,316,292)	(48,628,672)
Net cash inflows from acquisition of a subsidiary company	9(b)	27,460	-
Net cash outflows from disposal of a subsidiary company	9(f)	(82,301)	-
Proceeds from disposal of:			
- Financial assets measured at FVTOCI		49,748,125	36,180,082
- Financial assets measured at FVTPL		24,299,460	26,046,738
- Investment properties		25,068,612	358,299
- Assets held for sale		4,287,097	-
- Property, plant and equipment		3,061,944	558,250
- Right-of-use-assets		540,600	652,433
Purchase of:			
- Investment properties	8	(5,945,153)	-
- Property, plant and equipment	4	(8,888,949)	(10,271,158)
- Right-of-use assets	5(c)	(3,372,470)	(3,114,089)
Deposits and consideration paid for the acquisition and joint venture of development lands		(29,260,460)	(104,963,059)
Repayment of prior years' investment in subsidiary companies and associates		(14,935,000)	(13,935,000)
Net cash used in investing activities		(19,316,847)	(153,002,383)

Statements of Cash Flows

For the Financial Year Ended 31 December 2020 (Cont'd)

	Note	2020 RM	Group 2019 RM
Cash flows from financing activities			
Decrease/(Increase) in fixed deposits pledged		37,018,631	(18,983,232)
Decrease/(Increase) in cash and bank balances pledged		3,424,473	(4,883,254)
Drawdown of bank borrowings		535,338,524	811,588,666
Distribution to holders of Perpetual Sukuk		(4,456,329)	-
Dividends paid		(6,210,536)	(34,346,552)
Dividends paid to non-controlling interests		(4,200,085)	-
Issuance of Perpetual Sukuk	26	130,000,000	-
Net movement of amount due to holding company		-	(7,020,154)
Purchase of treasury shares		(13,584,876)	(10,844,628)
Proceeds from:			
- Exercise of ESOS		-	183,780
- Exercise of warrants		413,894	-
- Exercise of warrants in a subsidiary company by non-controlling interests		-	13,500
Repayment of bank borrowings		(635,869,074)	(809,902,277)
Repayment of RCPS		(20,000,000)	(30,000,000)
Repayment of Sukuk		(4,452,000)	(9,659,242)
Repayment of lease liabilities		(9,743,989)	(13,358,794)
Net cash from/(used in) financing activities		7,678,633	(127,212,187)
Net increase in cash and cash equivalents		80,674,388	24,239,348
Effects of exchange translation differences on cash and cash equivalents		(552,879)	(184,697)
Cash and cash equivalents at the beginning of the financial year		116,271,958	92,217,307
Cash and cash equivalents at the end of the financial year		196,393,467	116,271,958
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		20,620,182	58,166,355
Cash held under Housing Development Accounts		153,675,969	105,407,345
Cash and bank balances		127,903,940	112,829,690
Bank overdrafts		(79,912,915)	(93,794,619)
		222,287,176	182,608,771
Less: Fixed deposits pledged with licensed banks	19	(20,597,047)	(57,615,678)
Cash and bank balances pledged	21	(5,296,662)	(8,721,135)
		196,393,467	116,271,958



	2020	Company
	RM	2019
		RM
Cash flows from operating activities		
Profit before tax	32,026,555	31,011,478
Adjustments for:		
Allowance for impairment losses on:		
- Amount due from a subsidiary company	4,758	-
- Investment in a subsidiary company	-	99
Deposit written off	10,000	-
Depreciation of property, plant and equipment	450	450
Finance costs	9,346,926	15,524,347
Unrealised loss on foreign exchange	8,224	83,434
Fair value loss/(gain) on revaluation of financial assets measured at FVTPL	948	(5,798)
Dividend income from financial assets measured at FVTPL	(12,928)	(70,385)
Dividend income	(34,260,000)	(35,500,000)
Interest income	(12,870,813)	(16,218,205)
Operating loss before working capital changes	(5,745,880)	(5,174,580)
Changes in working capital:		
Other receivables	(985,598)	(880,567)
Other payables	(233,436)	(224,228)
Amount due to subsidiary companies	19,169,349	203,559
	17,950,315	(901,236)
Cash generated from/(used in) operations	12,204,435	(6,075,816)
Dividends received	34,260,000	35,500,000
Interest received	12,159,679	15,752,434
Interest paid	(10,711,702)	(16,150,511)
Tax paid	(7,609,214)	(3,236,717)
	28,098,763	31,865,206
Net cash from operating activities	40,303,198	25,789,390

Statements of Cash Flows

For the Financial Year Ended 31 December 2020 (Cont'd)

	Note	2020 RM	Company 2019 RM
Cash flows used in investing activities			
Additional investment in subsidiary companies		(1,144,519)	(808,269)
Net movement of amount due from subsidiary companies		(111,477,657)	(28,893,445)
Proceeds from disposal of financial assets measured at FVTPL		2,180,834	-
Net cash used in investing activities		(110,441,342)	(29,701,714)
Cash flows from financing activities			
Dividends paid		(6,210,536)	(34,346,552)
Decrease/(Increase) in fixed deposits pledged		23,883,690	(176,200)
Increase in cash and bank balances pledged		(352,355)	(533,681)
Drawdown of bank borrowings		50,000,000	112,500,000
Distribution to holders of Perpetual Sukuk		(4,456,329)	-
Issuance of Perpetual Sukuk	26	130,000,000	-
Net movement of amount due to subsidiary companies		14,901,827	(1,004,036)
Purchase of treasury shares		(13,584,876)	(10,844,628)
Proceeds from:			
- Exercise of ESOS		-	183,780
- Exercise of warrants		413,894	-
Repayment of bank borrowings		(119,278,369)	(32,667,800)
Net cash from financing activities		75,316,946	33,110,883
Net increase in cash and cash equivalents		5,178,802	29,198,559
Effects of exchange translation differences on cash and cash equivalents		(8,224)	(83,434)
Cash and cash equivalents at the beginning of the financial year		7,338,347	(21,776,778)
Cash and cash equivalents at the end of the financial year		12,508,925	7,338,347
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		983,492	25,131,609
Cash and bank balances		16,437,344	10,230,119
Bank overdrafts		(2,920,453)	(2,500,588)
		14,500,383	32,861,140
Less: Fixed deposits pledged with licensed banks	19	(983,492)	(24,867,182)
Cash and bank balances pledged	21	(1,007,966)	(655,611)
		12,508,925	7,338,347

The accompanying notes form an integral part of the financial statements.



Notes to the Financial Statements

31 December 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Plaza Seri Setia, Level 1 - 4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies. The principal activities of its subsidiary companies are disclosed in Note 53. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The holding company is Gaterich Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendment to MFRS 16	Covid-19 Related Rent Concessions

Early adoption of amendments to MFRS

In current financial year, the Group and the Company have elected to early adopt Amendment to MFRS 16 *Covid-19 - Related Rent Concessions* which is effective from the annual period beginning on or after 1 June 2020.

The amendment grant an optional exemption for lessees to account for a rent concession related to COVID-19 in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment, however, do not make any changes to lessor accounting.

Notes to the Financial Statements

31 December 2020 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Early adoption of amendments to MFRS (Cont'd)

The exemption only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) Any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except as disclosed in Note 29.

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 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 MFRS 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 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	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 and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.



2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

On 18 December 2018, the Malaysian Accounting Standards Board ("MASB") has issued for public comment six Tentative Agenda Decisions ("TAD") published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 *Borrowing Costs* ("IAS 23") relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the MFRS, which are word for-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of assessing the impact of implementing this change in accounting policy. The implementation results would be reported during the year ending 31 December 2021.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

Notes to the Financial Statements

31 December 2020 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Classification between investment properties and inventories

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long-term for capital appreciation or rental income but rather for sale. Accordingly, these properties are classified as inventories. The carrying amounts of these inventories as at reporting date are RM63,288,635 (2019: RM50,838,946).

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.



2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

(i) Useful lives of property, plant and equipment, right-of-use ("ROU") assets and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 8 respectively.

(ii) Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts at the reporting date for investment in subsidiary companies are disclosed in Note 9.

(iii) Impairment of investment in associates

The Group reviews its investment in associates when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amount based on market performance, economic and political situation of the country in which the associates operate.

The carrying amounts at the reporting date for investment in associates are disclosed in Note 10.

(iv) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use are disclosed in Note 13.

Notes to the Financial Statements

31 December 2020 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details of carrying amount of recognised and unrecognised of deferred tax assets are disclosed in Note 32.

(vi) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. The details of inventories are disclosed in Note 7.

(vii) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

(viii) Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 15.



2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(ix) Revenue from property development activities

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 15.

(x) Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 14.

(xi) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Notes to the Financial Statements

31 December 2020 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(xii) Employees' Share Option Scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The details of assumptions made in respect of the share-based payment scheme are disclosed in Note 41.

(xiii) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting internal and external experts to the Group, for matters in the ordinary course of business.

(xiv) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2020, the Group has tax recoverable and tax payable of RM5,290,057 and RM27,890,481 (2019: RM4,744,821 and RM59,848,744) respectively. As at 31 December 2020, the Company has tax payable of RM1,008,323 (2019: RM7,148,113).

(xv) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 47(d) regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.



3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(d) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date and income and expenses, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associates that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment is in accordance with Note 3(o)(i) on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property and accounted for in accordance with Note 3(h) on investment properties.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Motor vehicles	5 years
Office equipment, furniture and fittings	2 to 10 years
Renovations	5 to 10 years
Plant, machinery and equipment	3 to 30 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Capital work-in-progress

Capital work-in-progress consists of buildings under construction for intended use. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction until the property, plant and equipment are ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment or investment properties.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Inventories (Cont'd)

(iv) Other inventories

Cost of raw materials, spare parts and consumables comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Investment properties

Investment properties, including right-of-use assets held by lessee, are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	20 to 50 years
Leasehold land and buildings	Over the remaining period of the lease
Commercial properties	Over the remaining period of the lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provision of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets measured at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following condition are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies, amount due from associates, deposits and bank and cash balances.

(ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

(ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI") (Cont'd)

(b) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group's financial assets at FVTOCI comprises other investment.

(iii) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

The Group's and the Company's financial assets at FVTPL comprise other investment.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(o)(ii) on impairment on financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instrument.

Financial liabilities categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities measured at amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to holding company, amount due to subsidiary companies, amount due to an associate, bank overdrafts, lease liabilities, bank borrowings, Sukuk and RCPS.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(k) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Offsetting of financial instruments

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers from contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies included within receivables and contract assets. The Group presents as a liability the gross amount due to customers from contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

(o) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets, assets arising from employee benefits and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating unit that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12 months ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables, contract assets and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(iii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) Perpetual Sukuk

Perpetual Sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Perpetual Sukuk holders' entitlement is accounted for as a distribution which is recognised in equity in the period in which it is declared or paid.

(r) Contingencies

Where it is not probable that an inflow or outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases

As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	Over the remaining period of the lease
Motor vehicles	5 years, or over the lease term, if shorter
Office equipment, furniture and fittings	2 to 10 years, or over the lease term, if shorter
Renovations	5 to 10 years, or over the lease term, if shorter
Plant, machinery and equipment	5 to 10 years, or over the lease term, if shorter
Motor racing circuit	20 years, or over the lease term, if shorter

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (Cont'd)

As lessor (Cont'd)

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(t) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from property development

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (Cont'd)

- (i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

- (b) Revenue from construction contracts (Cont'd)

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

- (c) Sale of goods

Revenue from sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

- (d) Rendering of services

Revenue from rendering of services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

- (e) Hotel room rental and food and beverages revenue

Room rental revenue is accrued on a daily basis on customer-occupied rooms. Revenue from the sale of food and beverage is recognised when the customer received and consumes and the Group has a present right to payment for the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

- (f) Motor racing event income

Racing event income is recognised at a point in time when performance obligation is satisfied by the transfer of promised services to a customer which is the time the relevant event is held. Invoices are issued to customers before or upon completion of services and consideration is payable when invoiced. Consideration received before completion of services is classified as receipts in advance under trade and other payables in the statements of financial position.

- (g) Motor racing sponsorship income

Sponsorship income from advertising services is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

- (h) Motor racing consultancy fee income

Consultancy fee income is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (Cont'd)

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs to be recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(y) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based compensation

LBS Bina Group Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiary companies' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share capital, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(aa) Provision for affordable housing

The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for development of premium housing based on the master and building plans approved.

In determining the provision for affordable housing, judgements and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience and by relying on the work of specialists.

The carrying amount of the Group's provision for affordable housing as at 31 December 2020 is disclosed in Note 28(b)(iii).

Notes to the Financial Statements

31 December 2020 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(bb) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(cc) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties are not depreciated or amortised once classified as held for sale.

(dd) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



4. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
2020					
Group Cost					
At 1 January 2020	2,592,633	29,798,317	21,290,242	29,614,023	83,295,215
Additions	437,112	3,359,060	3,555,108	4,301,662	11,652,942
Transfer from capital work-in-progress	-	1,351,665	1,407,855	-	2,759,520
Transfer from right-of-use assets	1,868,958	-	-	409,750	2,278,708
Disposals	(990,249)	(381,588)	(1,469,565)	(4,284,464)	(7,125,866)
Written off	(3,328)	(173,831)	(1)	(15,500)	(192,660)
Reclassification	-	165,102	(11,406)	(153,696)	-
Exchange differences	-	361,831	-	-	361,831
At 31 December 2020	3,905,126	34,480,556	24,772,233	29,871,775	93,029,690
Accumulated depreciation					
At 1 January 2020	2,160,615	17,413,279	7,982,767	13,668,916	41,225,577
Charge for the financial year	338,638	2,709,770	2,836,128	4,077,357	9,961,893
Transfer from right-of-use assets	1,469,515	-	-	472,725	1,942,240
Disposals	(924,676)	(271,385)	(631,940)	(2,512,159)	(4,340,160)
Written off	(3,326)	(151,748)	-	(2,200)	(157,274)
Reclassification	-	208,128	-	(208,128)	-
Exchange differences	-	256,821	-	-	256,821
At 31 December 2020	3,040,766	20,164,865	10,186,955	15,496,511	48,889,097
Accumulated impairment losses					
At 1 January 2020	-	11,924	-	3,299	15,223
Written off	-	(11,924)	-	(3,299)	(15,223)
At 31 December 2020	-	-	-	-	-
Carrying amount					
At 31 December 2020	864,360	14,315,691	14,585,278	14,375,264	44,140,593

Notes to the Financial Statements

31 December 2020 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2019							
Group Cost							
At 1 January 2019, as previously stated	375,105,633	17,091,471	28,117,141	33,963,109	77,612,179	79,295,694	611,185,227
Effect of adopting MFRS 16	(375,105,633)	(13,547,921)	-	(16,410,130)	(52,728,337)	(79,295,694)	(537,087,715)
At 1 January 2019, as restated	-	3,543,550	28,117,141	17,552,979	24,883,842	-	74,097,512
Additions	-	24,600	2,012,421	2,666,410	5,567,727	-	10,271,158
Transfer from capital work- in-progress	-	-	418,099	-	-	-	418,099
Transfer to inventories	-	-	-	-	(16,078)	-	(16,078)
Transfer from right-of-use assets	-	227,592	-	1,102,473	-	-	1,330,065
Disposals	-	(1,201,259)	(13,148)	-	(160,000)	-	(1,374,407)
Written off	-	(1,850)	(537,052)	(31,620)	(661,468)	-	(1,231,990)
Exchange differences	-	-	(199,144)	-	-	-	(199,144)
At 31 December 2019	-	2,592,633	29,798,317	21,290,242	29,614,023	-	83,295,215



4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2019							
Group							
Accumulated depreciation							
At 1 January 2019, as previously stated	143,957,951	7,984,197	15,397,260	6,612,037	11,500,579	77,303,210	262,755,234
Effect of adopting MFRS 16	(143,957,951)	(5,286,728)	-	(1,367,564)	(1,936,592)	(77,303,210)	(229,852,045)
At 1 January 2019, as restated	-	2,697,469	15,397,260	5,244,473	9,563,987	-	32,903,189
Charge for the financial year	-	251,543	2,609,986	2,467,595	4,773,400	-	10,102,524
Transfer from right-of-use assets	-	227,590	-	299,638	-	-	527,228
Disposals	-	(1,014,138)	(12,689)	-	(45,333)	-	(1,072,160)
Written off	-	(1,849)	(441,903)	(28,939)	(623,138)	-	(1,095,829)
Exchange differences	-	-	(139,375)	-	-	-	(139,375)
At 31 December 2019	-	2,160,615	17,413,279	7,982,767	13,668,916	-	41,225,577
Accumulated impairment losses							
At 1 January 2019, as previously stated	1,389,832	-	-	-	-	-	1,389,832
Effect of adopting MFRS 16	(1,389,832)	-	-	-	-	-	(1,389,832)
At 1 January 2019, as restated	-	-	-	-	-	-	-
Additions	-	-	11,924	-	3,299	-	15,223
At 31 December 2019	-	-	11,924	-	3,299	-	15,223
Carrying amount							
At 31 December 2019	-	432,018	12,373,114	13,307,475	15,941,808	-	42,054,415

Notes to the Financial Statements

31 December 2020 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Company	
	2020	2019
	RM	RM
Office equipment		
Cost		
At 1 January/31 December	4,500	4,500
Accumulated depreciation		
At 1 January	1,125	675
Charge for the financial year	450	450
At 31 December	1,575	1,125
Carrying amount		
At 31 December	2,925	3,375

The aggregate additional cost for the property, plant and equipment of the Group during the financial year acquired under contra arrangement and cash payments are as follows:

	Group	
	2020	2019
	RM	RM
Aggregate costs	11,652,942	10,271,158
Less: Offset with other payables	(2,763,993)	-
Cash payments	8,888,949	10,271,158



5. RIGHT-OF-USE ASSETS

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2020							
Group Cost							
At 1 January 2020	387,273,905	14,317,074	844,087	18,601,663	59,044,445	77,180,654	557,261,828
Additions	4,353,950	927,540	1,350,709	191,408	3,743,174	-	10,566,781
Transfer (to) / from capital work-in-progress	(258,000)	-	-	191,690	-	-	(66,310)
Transfer from inventories	2,836,006	-	-	-	-	-	2,836,006
Expiration of lease contracts	(1,399,541)	-	(40,357)	-	-	-	(1,439,898)
Transfer to investment properties	(1,081,699)	-	-	-	-	-	(1,081,699)
Transfer to property, plant and equipment	-	(1,868,958)	-	-	(409,750)	-	(2,278,708)
Disposals	(318,791)	-	-	-	-	-	(318,791)
Written off	(2,195,270)	-	-	(349,972)	-	-	(2,545,242)
Other movement	(48,242)	-	-	(12,859)	-	-	(61,101)
Exchange differences	13,909,829	-	-	2,157,187	-	3,808,246	19,875,262
At 31 December 2020	403,072,147	13,375,656	2,154,439	20,779,117	62,377,869	80,988,900	582,748,128

Notes to the Financial Statements

31 December 2020 (Cont'd)

5. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2020							
Group							
Accumulated depreciation							
At 1 January 2020	146,225,993	7,104,432	277,989	9,151,795	6,702,719	75,480,585	244,943,513
Charge for the financial year	13,123,108	2,595,199	427,438	1,961,449	5,228,567	247,724	23,583,485
Expiration of lease contracts	(1,188,271)	-	(40,357)	-	-	-	(1,228,628)
Transfer to investment properties	(20,868)	-	-	-	-	-	(20,868)
Transfer to property, plant and equipment	-	(1,469,515)	-	-	(472,725)	-	(1,942,240)
Disposals	(36,442)	-	-	-	-	-	(36,442)
Written off	(2,195,270)	-	-	(349,972)	-	-	(2,545,242)
Exchange differences	6,482,105	-	-	333,934	-	3,727,605	10,543,644
At 31 December 2020	162,390,355	8,230,116	665,070	11,097,206	11,458,561	79,455,914	273,297,222
Accumulated impairment losses							
At 1 January 2020	1,389,832	-	-	-	-	-	1,389,832
Additions	86,891	-	-	-	-	-	86,891
At 31 December 2020	1,476,723	-	-	-	-	-	1,476,723
Carrying amount							
At 31 December 2020	239,205,069	5,145,540	1,489,369	9,681,911	50,919,308	1,532,986	307,974,183



5. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2019							
Group Cost							
At 1 January 2019, as previously stated	-	-	-	-	-	-	-
Effect of adopting MFRS 16	376,898,305	13,547,921	478,411	16,410,130	52,728,337	79,295,694	539,358,798
At 1 January 2019, as restated	376,898,305	13,547,921	478,411	16,410,130	52,728,337	79,295,694	539,358,798
Additions	1,889,635	1,750,694	365,676	1,827,706	6,316,108	-	12,149,819
Reclassification	(1,419,039)	-	-	1,419,039	-	-	-
Transfer from capital work-in-progress	16,990,984	-	-	239,745	-	-	17,230,729
Expiration of lease contracts	(271,861)	-	-	-	-	-	(271,861)
Transfer from investment properties	1,040,349	-	-	-	-	-	1,040,349
Transfer to property, plant and equipment	-	(227,592)	-	(1,102,473)	-	-	(1,330,065)
Disposals	(218,954)	(753,949)	-	-	-	-	(972,903)
Exchange differences	(7,635,514)	-	-	(192,484)	-	(2,115,040)	(9,943,038)
At 31 December 2019	387,273,905	14,317,074	844,087	18,601,663	59,044,445	77,180,654	557,261,828

Notes to the Financial Statements

31 December 2020 (Cont'd)

5. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
2019							
Group							
Accumulated depreciation							
At 1 January 2019, as previously stated	-	-	-	-	-	-	-
Effect of adopting MFRS 16	144,636,559	5,286,728	148,133	1,367,564	1,936,592	77,303,210	230,678,786
At 1 January 2019, as restated	144,636,559	5,286,728	148,133	1,367,564	1,936,592	77,303,210	230,678,786
Charge for the financial year	11,925,702	2,799,241	129,856	1,345,544	4,766,127	245,174	21,211,644
Reclassification	(6,900,450)	-	-	6,900,450	-	-	-
Expiration of lease contracts	(154,656)	-	-	-	-	-	(154,656)
Transfer from investment properties	174,883	-	-	-	-	-	174,883
Transfer to property, plant and equipment	-	(227,590)	-	(299,638)	-	-	(527,228)
Disposals	(11,916)	(753,947)	-	-	-	-	(765,863)
Exchange differences	(3,444,129)	-	-	(162,125)	-	(2,067,799)	(5,674,053)
At 31 December 2019	146,225,993	7,104,432	277,989	9,151,795	6,702,719	75,480,585	244,943,513
Accumulated impairment losses							
At 1 January 2019, as previously stated	-	-	-	-	-	-	-
Effect of adopting MFRS 16	1,389,832	-	-	-	-	-	1,389,832
At 1 January 2019, as restated/ 31 December 2019	1,389,832	-	-	-	-	-	1,389,832
Carrying amount							
At 31 December 2019	239,658,080	7,212,642	566,098	9,449,868	52,341,726	1,700,069	310,928,483



5. RIGHT-OF-USE ASSETS (CONT'D)

- (a) Included in the right-of-use assets of the Group are leasehold land and buildings with carrying amount of RM61,007,632 (2019: RM86,406,399) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 30(a) and 33(a).
- (b) The net carrying amount of right-of-use assets of the Group acquired under lease arrangement are as follows:

	2020	Group
	RM	2019
		RM
Motor vehicles	5,145,543	7,212,642
Office equipment	1,038,461	-
Plant and machinery	50,919,309	52,341,726
	<hr/> 57,103,313	<hr/> 59,554,368

Leased assets of the Group are pledged as securities for the related financing facilities.

- (c) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under lease financing, term loan financing, offset with other payables and cash payments are as follows:

	2020	Group
	RM	2019
		RM
Aggregate costs	10,566,781	12,149,819
Less: Lease financing	(6,038,311)	(7,773,808)
Less: Term loan financing	(1,156,000)	(857,671)
Less: Offset with other payables	-	(404,251)
	<hr/> 3,372,470	<hr/> 3,114,089

- (d) The remaining lease period of the leasehold land and buildings range from 23 to 93 (2019: 24 to 94) years.
- (e) Leasehold land with carrying amount of RM149,875,310 (2019: RM149,037,808) situated in mainland China is held under medium term lease.

Management has performed an impairment assessment on the carrying amount of the leasehold land by reference to a report prepared by an independent professional valuer on the business operations of a motor racing circuit run by a subsidiary company on such leasehold land, and concluded that the leasehold land has not impaired. The valuation is based on cash flow projections which involve assumptions on and estimations of future cash flows, growth rates, discount factors etc. The assessment of impairment therefore requires considerable judgement by the management.

Notes to the Financial Statements

31 December 2020 (Cont'd)

6. CAPITAL WORK-IN-PROGRESS

	2020 RM	Group 2019 RM
At 1 January	84,800,715	52,059,381
Additions	38,316,292	48,628,672
Transfer to property, plant and equipment (Note 4)	(2,759,520)	(418,099)
Transfer from/(to) right-of-use assets (Note 5)	66,310	(17,230,729)
Transfer from land held for property development and property development costs [Note 7(a)]	1,196,105	2,005,693
Transfer from completed properties [Note 7(b)]	729,758	-
Finance costs (Note 37)	862,628	104,842
Written off	-	(255,839)
Exchange differences	(79,018)	(93,206)
At 31 December	123,133,270	84,800,715

Included in capital work-in-progress of the Group is an amount of RM102,806,924 (2019: RM68,863,091) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 30(b).

7. INVENTORIES

	Note	2020 RM	Group 2019 RM
Non-current			
Land held for property development and property development costs	(a)	1,296,756,020	1,478,792,061
Current			
Land held for property development and property development costs	(a)	692,246,478	565,750,376
Completed properties	(b)	267,798,766	258,410,062
Other inventories	(c)	2,842,269	1,303,228
		962,887,513	825,463,666



7. INVENTORIES (CONT'D)

(a) Land held for property development and property development costs

	2020 RM	Group 2019 RM
Non-current		
Freehold land, at cost		
At 1 January	99,457,617	100,045,186
Additions	3,800,000	-
Transfer to current portion	(10,586,997)	(587,569)
At 31 December	92,670,620	99,457,617
Long-term leasehold land, at cost		
At 1 January	523,849,882	717,716,334
Additions	9,034,237	4,530,287
Transfer to current portion	(95,738,327)	(158,712,091)
Transfer from/(to) property development costs	355,779	(39,684,648)
At 31 December	437,501,571	523,849,882
Non-current		
Property development costs		
At 1 January	855,484,562	702,524,033
Additions	24,340,089	168,374,855
Transfer to current portion	(112,445,477)	(53,081,744)
Transfer (to)/from leasehold land	(355,779)	39,684,648
Transfer to capital work-in-progress	-	(2,005,693)
Property development costs written off	(439,566)	(11,537)
At 31 December	766,583,829	855,484,562
Total non-current land held for property development and property development costs	1,296,756,020	1,478,792,061
Current		
Freehold land, at cost		
At 1 January	18,613,718	23,564,717
Transfer from non-current portion	10,586,997	587,569
Portion related to completed projects	(8,435,900)	(2,490,068)
Transfer to assets held for sale	-	(3,000,000)
Transfer to property development costs	-	(48,500)
At 31 December	20,764,815	18,613,718
Long-term leasehold land, at cost		
At 1 January	295,387,812	154,283,783
Additions	7,812,922	29,511,675
Transfer from non-current portion	95,738,327	158,712,091
Portion related to completed projects	(74,678,065)	(47,119,737)
Transfer to completed properties	(3,505,979)	-
At 31 December	320,755,017	295,387,812

Notes to the Financial Statements

31 December 2020 (Cont'd)

7. INVENTORIES (CONT'D)

(a) Land held for property development and property development costs (Cont'd)

	2020 RM	Group 2019 RM
Current		
Property development costs		
At 1 January	1,150,181,060	1,037,832,825
Additions	707,583,902	647,695,726
Transfer from non-current portion	112,445,477	53,081,744
Transfer from freehold land	-	48,500
Portion related to completed projects	(549,473,767)	(488,494,910)
Transfer from property, plant and equipment	-	16,078
Transfer to capital work-in-progress	(1,196,105)	-
Transfer to completed properties	(17,254,467)	(99,998,903)
At 31 December	1,402,286,100	1,150,181,060
Less: Costs recognised in profit or loss		
At 1 January	898,432,214	672,488,680
Recognised during the financial year	785,714,972	764,048,249
	1,684,147,186	1,436,536,929
Less: Portion related to completed projects	(632,587,732)	(538,104,715)
At 31 December	1,051,559,454	898,432,214
Total current land held for property development and property development costs	692,246,478	565,750,376

(i) Certain land held for property development and property development costs are pledged as securities for banking facilities, Sukuk and RCPS granted to the Group as disclosed in Notes 30(c), 31(a), 33(b) and 34(a) respectively.

(ii) Included in land held for property development and property development costs for the financial year are as follows:

	Note	2020 RM	Group 2019 RM
Finance costs	37	21,241,713	33,603,025
Landowners consideration		28,917,226	56,114,976
Sales commission		62,581,838	59,910,663



7. INVENTORIES (CONT'D)

(b) Completed properties

	2020 RM	Group 2019 RM
At cost:		
Completed properties	267,698,766	258,310,062
At net realisable value:		
Completed properties	100,000	100,000
	267,798,766	258,410,062

	2020 RM	Group 2019 RM
At 1 January	258,410,062	291,321,535
Transfer from land held for property development and property development costs	20,760,446	99,998,903
Transfer to capital work-in-progress	(729,758)	-
Transfer to right-of-use assets	(2,836,006)	-
Recognised during the financial year	(7,805,978)	(132,910,376)
At 31 December	267,798,766	258,410,062

The completed properties with carrying amount of RM63,457,148 (2019: RM95,066,269) have been pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiary companies as disclosed in Note 30(d).

(c) Other inventories

	2020 RM	Group 2019 RM
At cost:		
Raw materials	2,212,299	1,226,211
Consumable foods	40,565	-
Finished goods	624	7,360
Spare parts and consumables	588,781	69,657
	2,842,269	1,303,228
Recognised in profit or loss:		
Inventories recognised in cost of sales	14,804,745	18,100,321

Notes to the Financial Statements

31 December 2020 (Cont'd)

8. INVESTMENT PROPERTIES

	2020 RM	Group 2019 RM
Cost		
At 1 January	177,108,835	180,101,953
Additions	5,945,153	-
Transfer from/(to) right-of-use assets (Note 5)	1,081,699	(1,040,349)
Transfer to assets held for sale (Note 22)	(180,000)	(1,501,484)
Disposals	(22,066,514)	(451,285)
At 31 December	161,889,173	177,108,835
Accumulated depreciation		
At 1 January	12,430,094	10,416,717
Charge for the financial year	2,253,271	2,477,337
Transfer from/(to) right-of-use assets (Note 5)	20,868	(174,883)
Transfer to assets held for sale (Note 22)	(48,000)	(285,550)
Disposals	(1,517,043)	(3,527)
At 31 December	13,139,190	12,430,094
Accumulated impairment losses		
At 1 January	431,423	534,980
Impairment losses for the financial year	523,457	24,437
Transfer to assets held for sale (Note 22)	(85,200)	(127,994)
At 31 December	869,680	431,423
Carrying amount		
At 31 December	147,880,303	164,247,318
Included in the above are:		
At cost		
Leasehold land and buildings	48,406,495	63,724,831
Freehold land and buildings	-	180,000
Commercial properties	113,482,678	113,204,004
	161,889,173	177,108,835
Fair value	176,443,000	197,900,000



8. INVESTMENT PROPERTIES (CONT'D)

(a) Investment properties pledged as securities

Investment properties with carrying amount of RM140,295,616 (2019: RM160,606,121) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 30(e) and 33(c) respectively.

(b) Investment properties under leases

Certain investment properties with carrying amount of RM1,060,831 (2019: RM865,466) have been transferred from/(to) ROU assets, as the properties' usage has been changed from investment properties to owner-occupied properties or vice versa.

Certain investment properties are leasehold properties with remaining lease period range from 69 to 97 (2019: 70 to 95) years.

Investment properties comprise a number of leasehold and freehold land and buildings and commercial properties that are leased to third parties. Each of the leases contains a cancellable period ranging from two to three years. Subsequent renewals are negotiated with the lessee on an average renewal period ranging from one to two years.

(c) Fair value basis of investment properties

Fair value of investment properties is arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered external valuers having appropriate recognised professional qualification and experiences in the locations and category of properties being valued. The fair value are within Level 2 of the fair value hierarchy.

There were no transfers between levels during current and previous financial year.

(d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	2020 RM	Group 2019 RM
Rental income	5,765,371	7,867,023
Direct operating expenses:		
- Income generating investment properties	3,781,946	4,324,447
- Non-income generating investment properties	107,196	242,405

Notes to the Financial Statements

31 December 2020 (Cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2020 RM	2019 RM
In Malaysia:		
Quoted shares, at cost	247,997,882	246,853,363
Unquoted shares, at cost	393,455,495	393,455,495
	641,453,377	640,308,858
Less: Accumulated impairment losses	(3,667,922)	(3,667,922)
	637,785,455	636,640,936
Outside Malaysia:		
Unquoted shares, at cost	4,075	4,075
	637,789,530	636,645,011

The Group's subsidiary companies which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group except as disclosed in Note 9(e).

Certain listed securities have been pledged as securities to partially secure the banking facilities as disclosed in Notes 30(g) and 33(e) respectively.

Details of the subsidiary companies are disclosed in Note 53.

The movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	2020 RM	2019 RM
At 1 January	3,667,922	3,667,823
Impairment losses during the financial year	-	99
	3,667,922	3,667,922

The recoverable amount of the Company's investment in a subsidiary company was estimated based on value in use method. An impairment loss amounting to RMNil (2019: RM99) was recognised during the financial year.



9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies

31 December 2020

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.

31 December 2019

- (i) On 24 June 2019, the Company subscribed for 100 ordinary shares in Puncak Maksimum Berhad ("PMB") for a total cash consideration of RM100 only. Consequently, PMB became a wholly-owned subsidiary company of the Company.
- (ii) On 28 June 2019, MGB Land Sdn. Bhd. ("MGB Land"), a wholly-owned subsidiary company of MGB Berhad ("MGB"), a 59.36% owned subsidiary company of the Company, subscribed for 1 ordinary share in Idaman Aktif Sdn. Bhd. ("IASB") and Idaman Elegan Sdn. Bhd. ("IESB") respectively, representing entire equity interest in IASB and IESB, for a total cash consideration of RM1 respectively. Consequently, IASB and IESB became indirect wholly-owned subsidiary companies of MGB.
- (iii) On 28 August 2019, MGB Land subscribed 1 ordinary share in Idaman Living Sdn. Bhd. ("ILSB"), representing entire equity interest in ILSB, for a total cash consideration of RM1 only. Consequently, ILSB became an indirect wholly-owned subsidiary company of MGB.

The effect of the acquisition on the financial results of the Group in respect of the financial year is as follows:

	2020	Group	2019
	RM		RM
Administrative and operating expenses, representing total comprehensive loss for the financial year	(3,180)		(15,344)
Net loss for the financial year attributable to owners of the parent	(3,180)		(15,344)

Notes to the Financial Statements

31 December 2020 (Cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies (Cont'd)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary companies have contributed loss of RM3,180 (2019: RM15,344) to the Group for the financial year. If the business combination had taken place at the beginning of the financial year, the Group's loss for the financial year would have been increased by RM602,268 (2019: RM15,344).

The following summarises the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

	2020 RM	Group	2019 RM
Fair value of identifiable assets acquired and liabilities assumed			
Cash and bank balances	37,460		103
Trade and other payables	(5,527)		-
			<hr/>
Total identifiable assets and liabilities	31,933		103
			<hr/>

Net cash inflows arising from the acquisition is as follows:

	2020 RM	Group	2019 RM
Purchase consideration satisfied by cash	10,000		103
Less: Cash and bank balances acquired	(37,460)		(103)
			<hr/>
Net cash inflows from the acquisition of a subsidiary company	(27,460)		-
			<hr/>

Bargain purchase gain arising from the acquisition as follows:

	2020 RM	Group	2019 RM
Fair value of consideration transferred	10,000		103
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	9,580		-
Fair value of identifiable assets acquired and liabilities assumed	(31,933)		(103)
			<hr/>
Bargain purchase gain	(12,353)		-
			<hr/>



9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Acquisition of non-controlling interests

31 December 2020

- (i) On 2 February 2020, LBS Bina acquired 200,000 ordinary shares, representing 2% equity interest in Kemudi Ehsan Sdn. Bhd. ("KESB") for a total cash consideration of RM3,000,000 only. Consequently, KESB became a 82% owned subsidiary company of LBS Bina.
- (ii) On 17 February 2020, LBS Bina acquired 245,000 ordinary shares, representing 49% equity interest in Taman Sempurna Sdn. Bhd. ("TSSB") for a total cash consideration of RM245,000 only. Consequently, TSSB became a wholly-owned subsidiary company of LBS Bina.
- (iii) On 31 December 2020, LBS Bina acquired 370,000 ordinary shares, representing 6.17% equity interest in Seloka Sinaran Sdn. Bhd. ("SSSB") for a total cash consideration of RM7,450,000 only. Consequently, SSSB became a 87.17% owned subsidiary company of LBS Bina.

31 December 2019

- (i) On 3 January 2019, LBS Bina acquired 150,000 ordinary shares, representing 3% equity interest in SSSB for a total cash consideration of RM16,000,000 only. Consequently, SSSB became a 81% owned subsidiary company of LBS Bina.
- (ii) On 17 September 2019, LBS Bina acquired 300,000 ordinary shares, representing 30% equity interest in Alunan Prestasi Sdn. Bhd. ("APSB") for a total cash consideration of RM1 only. Consequently, APSB became a wholly-owned subsidiary company of LBS Bina.
- (iii) On 7 November 2019, MGB Construction & Engineering Sdn. Bhd. ("MGBCE"), a wholly-owned subsidiary company of MGB, acquired 225,000 ordinary shares representing 30% equity interest in MGB Geotech Sdn. Bhd. ("MGB Geotech") for a total cash consideration of RM225,000 only. Consequently, MGB Geotech became a wholly-owned subsidiary company of MGBCE.
- (iv) On 6 December 2019, LBS Bina acquired 30 ordinary shares, representing 30% equity interest in Induk Pelita Sdn. Bhd. ("IPSB") for a total cash consideration of RM30 only. Consequently, IPSB became a 81% owned subsidiary company of LBS Bina.

The effect of changes in the equity interest that is attributable to the owners of the parent is as follows:

	2020	Group
	RM	2019
		RM
Carrying amount of non-controlling interests acquired	7,711,178	(1,268,482)
Consideration paid to non-controlling interests	(10,695,000)	(16,225,035)
Decrease in parent's equity	(2,983,822)	(17,493,517)

Notes to the Financial Statements

31 December 2020 (Cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Changes in equity interests

31 December 2020

(i) Changes of equity interest in MGB

During the financial year, the Company acquired 2,445,800 ordinary shares, representing 0.49% equity interest in MGB for a total cash consideration of RM1,144,519 only. Consequently, MGB became a 59.85% owned subsidiary company of the Company.

31 December 2019

(i) On 23 December 2019, MGB SANY (M) IBS Sdn. Bhd. ("MGB SANY"), a 51% owned subsidiary company of MGBCE, had increased its paid-up share capital from 4,000,000 to 10,120,000 ordinary shares. MGBCE subscribed for additional 6,120,000 ordinary shares in MGB SANY for a total cash consideration of RM6,120,000 only. Consequently, MGBCE's equity interest in MGB SANY increased from 51% to 81%. Consequently, MGB SANY became a 81% owned subsidiary company of MGBCE.

(ii) Changes of equity interest in MGB

During the financial year, the Company's equity interest in MGB has decreased from 59.68% to 59.36% as a result of the followings:

- (a) Increase in MGB's issued and paid-up share capital by way of conversion of 4,766,053 warrants by non-controlling interests at the exercise price of RM0.50 per warrant into 4,766,053 new ordinary shares.
- (b) Acquisition of 1,194,900 ordinary shares in MGB for a total cash consideration of RM805,412 only.
- (c) Conversion of 5,514 warrants at the exercise price of RM0.50 per warrant into 5,514 new ordinary shares.

Consequently, MGB became a 59.36% owned subsidiary company of the Company.

(iii) On 20 August 2019, Iringan Kejora Sdn. Bhd. ("IKSB"), a wholly-owned subsidiary company of LBS Bina, had increased its paid-up share capital from 500,000 to 750,000 ordinary shares. LBS Bina has subscribed for an additional 25,000 ordinary shares in IKSB for a total cash consideration of RM25,000 only. Consequently, IKSB became a 70% owned subsidiary company of LBS Bina.



9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Material partly-owned subsidiary companies

The Group's subsidiary companies that have material non-controlling interests are as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2020 %	2019 %	2020 RM	2019 RM	2020 RM	2019 RM
MGB Group *	40.15	40.64	5,600,897	3,718,596	128,903,475	127,855,536
Zhuhai International Circuit Limited ("ZIC")	40.00	40.00	1,939,821	(2,496,029)	(36,116,676)	(38,515,292)
Kemudi Ehsan Sdn. Bhd. ("KESB")	18.00	20.00	4,129,227	12,544,001	19,401,196	17,282,285
Seloka Sinaran Sdn. Bhd. ("SSSB")	12.83	19.00	17,312,698	5,656,217	13,196,086	5,199,292
					125,384,081	111,821,821
Individually immaterial subsidiary companies with non-controlling interests					(5,922,321)	(2,012,013)
Total non-controlling interests					119,461,760	109,809,808

* MGB Group represents MGB and its subsidiary companies

The summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised Statements of Financial Position

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
2020				
Non-current assets	407,750,601	160,742,664	107,293,211	57,058,979
Current assets	555,663,457	44,402,765	414,500,974	359,543,979
Non-current liabilities	(42,925,058)	(182,302,281)	(109,257,597)	-
Current liabilities	(449,133,841)	(104,421,176)	(304,752,168)	(313,749,598)
Net assets/(liabilities)	471,355,159	(81,578,028)	107,784,420	102,853,360
Equity attributable to:				
Owners of the parent	470,663,358	(45,461,352)	107,784,420	102,853,360
Non-controlling interests	691,801	(36,116,676)	-	-
Total equity	471,355,159	(81,578,028)	107,784,420	102,853,360

Notes to the Financial Statements

31 December 2020 (Cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Material partly-owned subsidiary companies (Cont'd)

The summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(i) Summarised Statements of Financial Position (Cont'd)

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
2019				
Non-current assets	429,439,766	158,979,119	98,033,740	47,147,572
Current assets	536,139,921	44,560,063	465,801,741	162,440,620
Assets held for sale	3,000,000	-	-	-
Non-current liabilities	(61,110,498)	(177,612,184)	(180,073,029)	(16,289,788)
Current liabilities	(449,697,887)	(113,377,132)	(297,351,028)	(161,564,505)
Net assets/(liabilities)	457,771,302	(87,450,134)	86,411,424	31,733,899
Equity attributable to:				
Owners of the parent	456,713,428	(48,934,842)	86,411,424	31,733,899
Non-controlling interests	1,057,874	(38,515,292)	-	-
Total equity	457,771,302	(87,450,134)	86,411,424	31,733,899

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
2020				
Revenue	563,274,102	23,188,420	245,324,145	435,185,574
Net profit for the financial year	13,583,857	10,055,391	21,372,995	91,119,461
Other comprehensive loss for the financial year	-	(5,205,838)	-	-
Total comprehensive income for the financial year	13,583,857	4,849,553	21,372,995	91,119,461
2019				
Revenue	756,145,529	25,094,094	452,959,214	172,905,953
Net profit/(loss) for the financial year	12,480,600	(7,188,628)	62,720,006	29,769,562
Other comprehensive income for the financial year	-	1,940,662	-	-
Total comprehensive income/ (loss) for the financial year	12,480,600	(5,247,966)	62,720,006	29,769,562



9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Material partly-owned subsidiary companies (Cont'd)

The summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(iii) Summarised Statements of Cash Flows

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
2020				
Net cash from/ (used in)				
operating activities	35,811,356	(964,172)	116,577,977	63,863,446
Net cash used in				
investing activities	(9,481,259)	(1,710,463)	(17,000)	(12,039,422)
Net cash from/(used in)				
financing activities	19,351,118	-	(86,195,464)	(19,248,605)
Net increase/(decrease) in cash and cash equivalents	45,681,215	(2,674,635)	30,365,513	32,575,419
Dividend paid to non-controlling interests	-	-	-	3,800,000
2019				
Net cash from operating activities	100,918,401	4,066,577	45,336,452	37,011,982
Net cash used in investing activities	(9,480,761)	(2,119,462)	(44,906,212)	(18,726,916)
Net cash used in financing activities	(75,586,413)	(1,170,456)	(3,297,923)	(14,531,937)
Net increase/(decrease) in cash and cash equivalents	15,851,227	776,659	(2,867,683)	3,753,129

(f) Disposal of a subsidiary company

31 December 2020

On 22 June 2020, LBS Bina had disposed of 51,000 ordinary shares, representing 51% equity interest in Retro Court Sdn. Bhd. ("RCSB") for a total cash consideration of RM1.00 only. The subsidiary company was previously reported as part of the property development segment.

Notes to the Financial Statements

31 December 2020 (Cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(f) Disposal of a subsidiary company (Cont'd)

The effect of the disposal of RCSB on the financial position of the Group as at the date of disposal was as follows:

	Group 2020 RM
Cash and bank balances	82,302
Trade and other payables	(2,100)
	<hr/>
Total net assets disposed	80,202
Non-controlling interests	(39,299)
Loss on disposal	(40,902)
	<hr/>
Proceeds from disposal	1
	<hr/>
Less: Cash and cash balances disposed	(82,302)
	<hr/>
Net cash outflows from disposal	(82,301)
	<hr/>

(g) Internal re-organisation

On 17 June 2019, MGB has undertaken internal restructuring whereby Vintage Roofing & Construction Sdn. Bhd. ("VRC"), a wholly-owned subsidiary company of MGB, disposed 2 ordinary shares, representing the entire equity interest in Sinaran Kencana Sdn. Bhd. (formerly known as VTI Consortium Sdn. Bhd.), an indirect wholly-owned subsidiary company of MGB to MGB Land, for a total cash consideration of RM2.

(h) Additional investments

31 December 2020

- (i) On 8 January 2020, Koleksi Sigma Sdn. Bhd. ("KSSB"), a 75% owned subsidiary company of LBS Bina, had increased its paid-up share capital from 100,000 to 250,000 ordinary shares. LBS Bina has subscribed for an additional 112,500 ordinary shares in KSSB by way of capitalisation of amount due from KSSB. KSSB remained as a 75% owned subsidiary company of LBS Bina.

31 December 2019

- (i) On 31 January 2019, Multi Court Developers Sdn. Bhd. ("MCDSB"), a wholly-owned subsidiary company of MGB Land, had increased its paid-up share capital from 300,000 to 1,000,000 ordinary shares. MGB Land had subscribed for additional 700,000 ordinary shares in MCDSB for cash consideration of RM700,000.
- (ii) On 10 June 2019, Equal Sign Sdn. Bhd. ("ESSB"), a wholly-owned subsidiary company of LBS Bina, had increased its paid-up share capital from 250,000 to 9,600,000 ordinary shares. LBS Bina has subscribed for additional 9,350,000 ordinary shares in ESSB by way of capitalisation of amount due from ESSB.
- (iii) On 10 June 2019, Fokus Awana Sdn. Bhd. ("FASB"), a wholly-owned subsidiary company of LBS Bina, had increased its paid-up share capital from 13,000,000 to 18,000,000 ordinary shares. LBS Bina has subscribed for additional 5,000,000 ordinary shares in FASB by way of capitalisation of amount due from FASB.



9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(h) Additional investments (Cont'd)

31 December 2019 (Cont'd)

- (iv) On 10 June 2019, Generasi Simbolik Sdn. Bhd. ("GSSB"), a wholly-owned subsidiary company of LBS Bina, had increased its paid-up share capital from 250,000 to 3,000,000 ordinary shares. LBS Bina has subscribed for additional 2,750,000 ordinary shares in GSSB by way of capitalisation of amount due from GSSB.
- (v) On 24 October 2019, Seloka Sinaran Sdn. Bhd. ("SSSB"), a 81% owned subsidiary company of LBS Bina, had increased its paid-up share capital from 5,000,000 to 6,000,000 ordinary shares. LBS Bina has subscribed for additional 810,000 ordinary shares in SSSB by way of capitalisation of amount due from SSSB. SSSB remained as a 81% owned subsidiary company of LBS Bina.
- (vi) On 2 December 2019, LBS Capital Sdn. Bhd. ("LCSB"), a wholly-owned subsidiary company of LBS Bina, had increased its paid-up share capital from 2,000,000 to 4,000,000 ordinary shares. LBS Bina subscribed for additional 2,000,000 ordinary shares in LCSB by way of capitalisation of amount due from LCSB.
- (i) **There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.**

10. INVESTMENT IN ASSOCIATES

(a) Investment in associates

	2020 RM	Group 2019 RM
At cost		
Unquoted shares in Malaysia	4,254,071	4,254,070
Less: Accumulated impairment losses		
At 1 January	(456,858)	(206,032)
Impairment losses during the financial year	(48,268)	(250,826)
At 31 December	(505,126)	(456,858)
Group's share of post acquisition reserves	(1,149,015)	(1,235,691)
	2,599,930	2,561,521

Details of the associates are disclosed in Note 54.

31 December 2020

On 26 June 2020, LBS Bina acquired 5,000 ordinary shares, representing 5% equity interest in Sambungan Aktif Sdn. Bhd. ("SASB") for a total cash consideration of RM1 only. Consequently, SASB became a 35% owned associate of LBS Bina.

Notes to the Financial Statements

31 December 2020 (Cont'd)

10. INVESTMENT IN ASSOCIATES (CONT'D)

(b) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

	2020 RM	Group 2019 RM
Assets and liabilities		
Non-current assets	1,243,932	1,645,052
Current assets	2,899,150	1,956,341
Total assets	4,143,082	3,601,393
Non-current liabilities	(1,060,083)	(823,918)
Current liabilities	(1,663,923)	(1,866,822)
Total net assets	1,419,076	910,653

(c) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

	2020 RM	Group 2019 RM
Financial results		
Revenue	1,717,023	895,365
Profit before tax	697,760	104,493
Taxation	(212,190)	(76,682)
Net profit for the financial year	485,570	27,811
Effect of adoption of MFRS 16 in relation to opening retained earnings	-	185

The unrecognised share of losses of the associates is as follows:

	2020 RM	Group 2019 RM
At 1 January	301,198	282,557
Share of losses during the financial year	17,791	18,641
At 31 December	318,989	301,198

(d) The Group's associates are individually immaterial to the financial position, financial performance and cash flows of the Group.



11. OTHER INVESTMENTS

	2020 RM	Group 2019 RM
Non-current		
Financial assets measured at fair value through other comprehensive income		
Equity securities listed in Hong Kong measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	-	49,782,672
Other investments		
At cost		
Transferable corporate club memberships	1,133,001	1,133,001
Accumulated impairment losses		
At 1 January	523,001	373,001
Impairment losses during the financial year	34,000	150,000
At 31 December	557,001	523,001
	576,000	610,000
	576,000	50,392,672

The fair value of the listed equity securities was determined by reference to the quoted price in an active market.

Included in the listed equity securities was an amount of RMNil (2019: RM37,843,200) which have been pledged to licensed banks as securities to partially secure the bank overdrafts as disclosed in Note 33(e).

During the financial year, an impairment loss of RM34,000 (2019: RM150,000) was provided for transferable corporate club memberships as there were decline in the fair value of these investments below their costs.

	2020 RM	Group 2019 RM
Current		
Financial assets measured at fair value through profit or loss		
Over the counter trust funds measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	-	9,620,634

	2020 RM	Company 2019 RM
Current		
Financial assets measured at fair value through profit or loss		
Over the counter trust funds measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	-	2,168,854

The fair value of the trust funds was determined by reference to the quoted prices provided by financial intermediaries.

Notes to the Financial Statements

31 December 2020 (Cont'd)

12. INTANGIBLE ASSETS

	2020 RM	Group 2019 RM
Cost		
At 1 January/31 December	3,016,020	3,016,020
Accumulated amortisation		
At 1 January	1,489,109	683,027
Charge for the financial year	1,179,734	806,082
At 31 December	2,668,843	1,489,109
Carrying amount		
At 31 December	347,177	1,526,911
Included in the above is:		
At fair value		
Contracts with customers	347,177	1,526,911

A subsidiary company of the Company has completed the purchase price allocation ("PPA") exercise to determine the fair value of the net assets of Multi Court Developers Sdn. Bhd. within the stipulated time period, i.e. twelve (12) months from the acquisition date of 5 January 2018, in accordance to MFRS 3 *Business Combinations*.

The intangible assets, deferred tax liabilities arising from the intangible assets and goodwill on consolidation have been reflected accordingly in the statements of financial position.

13. GOODWILL ON CONSOLIDATION

	2020 RM	Group 2019 RM
Cost		
At 1 January/31 December	184,738,924	184,738,924
Accumulated impairment losses		
At 1 January	71,573,081	71,230,968
Additions	15,210,840	342,113
At 31 December	86,783,921	71,573,081
Carrying amount		
At 31 December	97,955,003	113,165,843



13. GOODWILL ON CONSOLIDATION (CONT'D)

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to business segments as property development, construction and trading are as follows:

	2020 RM	Group 2019 RM
Property development	97,955,003	106,900,832
Construction and trading	-	6,265,011
	97,955,003	113,165,843

(b) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value in use calculations are based on future projection of the Group in Malaysia are as follows:

	Property development		Construction and trading	
	2020	2019	2020	2019
Net margin	17%	21%	2%	2%
Growth rate	N/A	N/A	Average of 18%	5% - 15%
Pre-tax discount rate (per annum)	6%	7%	8%	7%

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Net margin - Budgeted value based on the average margins achieved in the year immediately before the budget year, increased for expected efficiency improvements and market development.
- (ii) Growth rate - Not applicable for property development segment as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU.
- (iii) Pre-tax discount rate - Rate that reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

(c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(d) Impairment loss recognised during the financial year

The Group recognised an impairment loss of RM15,210,840 (2019: RM342,113) during the financial year in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiary companies mainly undertake development projects which are expected to complete within the next 5 years. As a decrease in development activities or other significant cash generating activities is expected from the subsidiary companies, the related goodwill has been impaired accordingly. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

Notes to the Financial Statements

31 December 2020 (Cont'd)

14. TRADE RECEIVABLES

	2020 RM	Group 2019 RM
Non-current		
Trade receivables		
- Third parties	3,984,661	3,368,268
Current		
Trade receivables		
- Third parties	195,860,902	401,518,143
- Related parties	1,905,552	3,993,042
	197,766,454	405,511,185
Retention sum receivables		
- Third parties	9,765,521	10,202,356
	207,531,975	415,713,541
Less: Accumulated impairment losses	(5,885,974)	(5,770,712)
Total current trade receivables	201,646,001	409,942,829
Total trade receivables	205,630,662	413,311,097

The Group's normal trade credit terms range from 14 to 180 days (2019: 14 to 180 days) term. Other credit terms are assessed and approved on a case-to-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables was an amount of RM29,654,728 (2019: RM37,848,196) retained by stakeholders which are due upon the expiry of retention period as stipulated in the sale and purchase agreements signed with property purchasers. The retention periods range from 8 to 24 months.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
2020			
At 1 January	885,446	4,885,266	5,770,712
Allowance for impairment losses	1,180,591	117,445	1,298,036
Amount written off	-	(643,657)	(643,657)
Reversal of allowance for impairment losses	(336,581)	(246,546)	(583,127)
Exchange differences	-	44,010	44,010
At 31 December	1,729,456	4,156,518	5,885,974
2019			
At 1 January	1,582,636	4,233,835	5,816,471
Allowance for impairment losses	69,493	1,225,121	1,294,614
Reversal of allowance for impairment losses	(766,683)	(551,394)	(1,318,077)
Exchange differences	-	(22,296)	(22,296)
At 31 December	885,446	4,885,266	5,770,712



14. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing are as follows:

	Gross Amount RM	Loss allowance RM	Net amount RM
Group 2020			
Not past due	78,103,642	(75,584)	78,028,058
Past due:			
Less than 30 days	40,689,069	(210,408)	40,478,661
31 to 60 days	20,754,419	(104,073)	20,650,346
More than 60 days	67,812,988	(1,339,391)	66,473,597
	129,256,476	(1,653,872)	127,602,604
Credit impaired:			
Individually impaired	4,156,518	(4,156,518)	-
	211,516,636	(5,885,974)	205,630,662
Group 2019			
Not past due	185,433,955	(19,586)	185,414,369
Past due:			
Less than 30 days	50,976,389	(11,896)	50,964,493
31 to 60 days	40,741,015	(26,308)	40,714,707
More than 60 days	137,045,184	(827,656)	136,217,528
	228,762,588	(865,860)	227,896,728
Credit impaired:			
Individually impaired	4,885,266	(4,885,266)	-
	419,081,809	(5,770,712)	413,311,097

Trade receivables that are not past due or past due

(i) Property development

Included in gross trade receivables were an amount of RM170,680,808 (2019: RM354,688,775), mainly related to amount due from property purchasers with end financing facilities from reputable end financiers. In respect of property purchasers with no end financing facilities, the Group retains the legal title to all the properties sold until the purchase consideration is fully settled.

As at 31 December 2020, trade receivables that are individually determined to be impaired were RM2,951,806 (2019: RM3,100,623), mainly related to purchasers whom were in significant financial difficulties or have defaulted on payments. For those trade receivables that are individually impaired, the Group's internal legal department will follow up with enforcement activities.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2020, the Group provided lifetime impairment losses of RM1,550,277 (2019: RM709,382) based on purchasers' historical data as an assumption for possibility of default.

Notes to the Financial Statements

31 December 2020 (Cont'd)

14. TRADE RECEIVABLES (CONT'D)

Trade receivables that are not past due or past due (Cont'd)

(ii) Construction and trading

Included in gross trade receivables were an amount of RM29,441,179 (2019: RM55,164,182), mainly were creditworthy receivables with good payment record and active corporate clients with healthy business relationship but slower repayment records. The management is of the view that the amount are recoverable based on past payment record.

As at 31 December 2020, trade receivables that are individually assessed to be impaired amounting to RM34,741 (2019: RM34,741), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. At the reporting date, the Group provided lifetime impairment losses of RM127,030 (2019: RM173,285) based on customers' historical data as an assumption for possibility of default.

(iii) Others

Included in gross trade receivables were an amount of RM11,394,649 (2019: RM9,228,852), mainly were creditworthy receivables with good payment record and active corporate clients with healthy business relationship but slower repayment records. The management is of the view that the amount are recoverable based on past payment record.

As at 31 December 2020, trade receivables that are individually assessed to be impaired amounting to RM1,169,971 (2019: RM1,749,902), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. At the reporting date, the Group provided lifetime impairment losses of RM52,149 (2019: RM2,779) based on customers' historical data as an assumption for possibility of default.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of purchasers, who are widely distributed and cover a broad range of end markets. There is no objective evidence that the remaining trade receivables are not fully recoverable.

15. CONTRACT ASSETS/(LIABILITIES)

	2020 RM	Group 2019 RM
<u>Contract assets</u>		
Construction contracts (a)	1,168,372	8,987,809
Property development activities (b)	544,372,686	379,245,821
	545,541,058	388,233,630
<u>Contract liabilities</u>		
Construction contracts (a)	12,060,360	29,121,338
Property development activities (b)	19,037,323	24,807,543
	31,097,683	53,928,881



15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Construction contracts

	2020 RM	Group 2019 RM
Contract cost incurred to-date	418,437,862	405,932,688
Attributable profits recognised to-date	49,399,680	47,431,685
	467,837,542	453,364,373
Less: Progress billings	(478,572,366)	(473,340,738)
Less: Accumulated impairment losses	(157,164)	(157,164)
	(10,891,988)	(20,133,529)
Presented as:		
Contract assets	1,168,372	8,987,809
Contract liabilities	(12,060,360)	(29,121,338)
	(10,891,988)	(20,133,529)

Included in progress billings is retention sum of RM9,765,521 (2019: RM10,202,356).

Movements in the allowance for impairment losses of contract assets are as follows:

	2020 RM	Group 2019 RM
At 1 January	157,164	-
Impairment losses recognised	-	157,164
At 31 December	157,164	157,164

(b) Property development activities

	2020 RM	Group 2019 RM
At 1 January	354,438,278	171,702,474
Property development revenue recognised during the financial year	1,012,805,460	1,029,185,950
Less: Billings during the financial year	(841,908,375)	(846,450,146)
At 31 December	525,335,363	354,438,278
Presented as:		
Contract assets	544,372,686	379,245,821
Contract liabilities	(19,037,323)	(24,807,543)
	525,335,363	354,438,278

Notes to the Financial Statements

31 December 2020 (Cont'd)

15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Property development activities (Cont'd)

The contract assets and liabilities balances represent the timing differences in revenue recognition and milestone billings. The milestone billings for property development contract are governed by the relevant regulations.

Contract assets in relation to property development activities is the excess of revenue recognised in profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional. Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 180 days.

(c) Contract value yet to be recognised as revenue

The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the Group recognises revenue from the satisfaction of the performance obligation using output methods in accordance with paragraph B16 of MFRS 15.

16. OTHER RECEIVABLES

	Group	
	2020	2019
	RM	RM
Current		
Other receivables		
- Third parties	23,862,256	40,093,585
- Related parties	703,876	265,435
	24,566,132	40,359,020
Less: Accumulated impairment losses		
- Third parties	(3,772,613)	(5,020,114)
	20,793,519	35,338,906
Deposits		
- Third parties	68,915,673	59,641,272
- Related parties	12,900	12,900
GST receivable	1,289,518	5,246,545
Prepayments	81,551,960	19,403,640
	172,563,570	119,643,263
Total other receivables		
	172,563,570	119,643,263
	Company	
	2020	2019
	RM	RM
Current		
Other receivables	1,060	4,197
Deposits	3,024,500	2,034,500
GST receivable	-	11,265
	3,025,560	2,049,962
Total other receivables		
	3,025,560	2,049,962



16. OTHER RECEIVABLES (CONT'D)

Included in other receivables of the Group mainly comprise of the followings:

- (i) Deposits, prepaid purchase consideration and development expenses of RM90,019,799 (2019: RM25,487,585), paid for the acquisition and joint venture of development lands that have not been completed as at 31 December 2020. The balance of purchase consideration is disclosed as capital commitments in Note 51.
- (ii) An amount of RM19,446,898 (2019: RM14,353,382) paid for Certificate of Share Unit Formula (Sijil Formula Unit Syer - **SIFUS**) fees for strata title subdivision.
- (iii) An amount of RM6,357,971 (2019: RM6,357,971) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.
- (iv) An amount of RM529,921 (2019: RM732,716) arising from a project management agreement signed with a developer. The projects have been completed and collection is pending strata titles issuance and closure of Housing Development Accounts by the developer.

The movements in the allowance for impairment losses (individually assessed) of other receivables are as follows:

	2020 RM	Group 2019 RM
At 1 January	5,020,114	5,031,623
Allowance for impairment losses	176,528	609,292
Reversal of allowance for impairment losses	(1,424,029)	(620,756)
Exchange differences	-	(45)
At 31 December	3,772,613	5,020,114

Other receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties or have defaulted on payment.

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies (Non-Current)

These represent unsecured, non-interest bearing advances and repayable after twelve months except for an amount of RM219,404,594 (2019: RM270,370,707) which bear interest at a rate of 1.85% (2019: 3.10%) per annum at the reporting date and RM65,560,000 (2019: RM14,593,887) represented bank borrowings obtained on behalf by the Company which bear interest range from 6.80% to 9.00% (2019: 5.90% to 9.00%) per annum at the reporting date.

Notes to the Financial Statements

31 December 2020 (Cont'd)

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

(b) Amount due from subsidiary companies (Current)

		Company	
	Note	2020 RM	2019 RM
Trade		297,000	28,800
Non-trade			
Amount due from subsidiary companies	(i)	382,932,936	275,815,535
Less: Accumulated impairment losses		(4,758)	-
		382,928,178	275,815,535
		383,225,178	275,844,335

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2020 RM	2019 RM
At 1 January	-	-
Impairment losses recognised	4,758	-
At 31 December	4,758	-

- (i) This represents unsecured, non-interest bearing advances and repayable on demand except for an amount of RM374,863,747 (2019: RM206,286,090) which bear interest at a rate of 1.85% (2019: 3.10%) per annum at the reporting date and RM3,500,000 (2019: RM62,520,000) represented bank borrowings obtained on behalf by the Company which bear interest at a rate of 6.95% (2019: range from 5.89% to 9.00%) per annum at the reporting date.

(c) Amount due to subsidiary companies

		Company	
	Note	2020 RM	2019 RM
Amount due to subsidiary companies	(i)	31,219,171	-
Amount due from subsidiary companies	(ii)	(1,920,000)	-
		29,299,171	-

- (i) This represents unsecured, non-interest bearing advances and repayable on demand except for an amount of RM14,901,827 (2019: RMNil) which bear interest at a rate of 1.85% (2019: Nil) per annum at the reporting date.

- (ii) This represents bank borrowing obtained on behalf by the Company which bear interest range from 4.85% to 6.80% (2019: Nil) per annum at the reporting date.



18. AMOUNT DUE FROM/(TO) ASSOCIATES

(a) Amount due from associates

This represents unsecured, non-interest bearing advances and repayable on demand. An amount of RM7,200 (2019: RM12,296) represents trade transactions.

(b) Amount due to an associate

This represents trade in nature, unsecured, non-interest bearing and repayable on demand.

19. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits of the Group and of the Company are amounts of RM20,597,047 and RM983,492 (2019: RM57,615,678 and RM24,867,182) respectively, which are pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiary companies as disclosed in Notes 30(h) and 33(d) respectively.

The interest rates and maturities of deposits of the Group at the reporting date range from 0.80% to 3.40% (2019: 0.30% to 4.05%) per annum and 1 to 365 days (2019: 1 to 365 days) respectively. All unpledged deposits have maturity periods of less than three months.

The interest rates and maturities of deposits of the Company at the reporting date range from 1.25% to 1.65% (2019: 0.40% to 4.05%) per annum and 1 to 365 days (2019: 1 to 365 days) respectively. All unpledged deposits have maturity periods of less than three months.

20. CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS

Cash held under Housing Development Accounts which are not freely available for use represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Control and Licensing) Act, 1966.

The interest rates of cash held under Housing Development Accounts at the reporting date range from 0.35% to 1.94% (2019: 1.20% to 2.10 %) per annum.

21. CASH AND BANK BALANCES

Included in cash and bank balances of the Group and of the Company are deposits with licensed banks amounting to RM5,296,662 and RM1,007,966 (2019: RM8,721,135 and RM655,611) respectively, which have been pledged to licensed banks for banking facilities granted to the Group and to the Company as disclosed in Note 30(f) and 31(b) respectively.

22. ASSETS HELD FOR SALE

	Note	2020 RM	Group 2019 RM
Freehold land	(a)	-	3,000,000
Freehold building	(b)	46,800	123,812
Leasehold buildings	(c)	291,972	964,128
		<hr/>	
		338,772	4,087,940
		<hr/>	

Notes to the Financial Statements

31 December 2020 (Cont'd)

22. ASSETS HELD FOR SALE (CONT'D)

(a) Freehold land

In December 2019, the Directors of MGBCE, a subsidiary company of MGB have decided to dispose of a piece of freehold vacant agricultural land for a total cash consideration of RM3,000,000. The disposal was completed during the financial year.

(b) Freehold building

In December 2020, the Directors of Equal Sign Sdn. Bhd., a subsidiary company of the LBS Bina, have decided to dispose of a freehold building for a total cash consideration of RM110,000. Purchaser is confirmed and the sale is expected to be completed in financial year ending 2021.

In December 2019, the Directors of SPJ Construction Sdn. Bhd., a subsidiary company of LBS Bina, have decided to dispose of a freehold building for a total cash consideration of RM280,000. The disposal was completed during the financial year.

(c) Leasehold buildings

In July 2019, Azam Perspektif Sdn. Bhd., a wholly-owned subsidiary company of LBS Bina, entered into a Sale and Purchase Agreement to dispose of a leasehold building for a total cash consideration of RM680,000. The disposal is pending completion as at the date of this report.

In October 2019, the Directors of LBS Properties Sdn. Bhd., a wholly-owned subsidiary company of LBS Bina, have decided to dispose of two leasehold buildings for a total cash consideration of RM107,300 and RM101,700 respectively. The disposals were completed during the financial year.

In November 2019, Pelangi Homes Sdn. Bhd., a wholly-owned subsidiary company of LBS Bina, entered into a Sale and Purchase Agreement to dispose of two leasehold buildings for a total cash consideration of RM130,000 each. The disposals were completed during the financial year.

In December 2019, the Directors of LBS Bina, a wholly-owned subsidiary company of the Company, have decided to dispose of a leasehold building for a total cash consideration of RM800,000. The disposal was completed during the financial year.

23. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
Issued and fully paid ordinary shares				
At 1 January	1,567,111,011	1,559,026,393	817,569,429	809,603,740
Issuance of shares:				
- Exercise of ESOS	-	360,000	-	241,071
- Exercise of warrants	739,098	-	413,894	-
- Conversion of RCPS	1,395,042	7,724,618	1,395,042	7,724,618
At 31 December	1,569,245,151	1,567,111,011	819,378,365	817,569,429



23. SHARE CAPITAL (CONT'D)

	Number of shares		Group/Company	
	2020	2019	2020	2019
	Units	Units	RM	RM
Redeemable Convertible Preference Shares ("RCPS")				
At 1 January	95,367,255	102,389,635	104,903,981	112,628,599
Conversion of RCPS	(1,268,220)	(7,022,380)	(1,395,042)	(7,724,618)
At 31 December	94,099,035	95,367,255	103,508,939	104,903,981
Total	1,663,344,186	1,662,478,266	922,887,304	922,473,410

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

Ordinary shares

31 December 2020

The Company increased its issued and paid-up share capital from 1,567,111,011 to 1,569,245,151 by way of issuance of 2,134,140 new ordinary shares as follows:

- 739,098 new ordinary shares pursuant to the conversion of 739,098 Warrants B at exercise price of RM0.56 per ordinary share.
- 1,395,042 new ordinary shares with the conversion ratio of 11 new ordinary shares for 10 RCPS pursuant to the conversion of 1,268,220 RCPS.

31 December 2019

The Company increased its issued and paid-up share capital from 1,559,026,393 to 1,567,111,011 by way of issuance of 8,084,618 new ordinary shares as follows:

- 360,000 new ordinary shares for cash pursuant to the exercise of options under the ESOS at exercise prices ranging from RM0.51 to RM0.56 per ordinary share.
- 7,724,618 new ordinary shares with the conversion ratio of 11 new ordinary shares for 10 RCPS pursuant to the conversion of 7,022,380 RCPS.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Notes to the Financial Statements

31 December 2020 (Cont'd)

23. SHARE CAPITAL (CONT'D)

Redeemable Convertible Preference Shares ("RCPS")

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

The salient terms of the RCPS are as follows:

- (a) The Company shall at its discretion and subject to the availability of distributable profits pay out a targeted preferential dividend of 6% in each financial year calculated on the issue price of the RCPS from and including the Issue Date i.e. 8 August 2017 until the date of redemption of the RCPS.
- (b) The preferential dividends, if declared, shall be payable annually in arrears, subject to availability of distributable profits. Although annual payments are anticipated as disclosed above, the Company may defer, in part or in whole, such payments depending on availability of distributable profits ("Deferred Dividends"). For avoidance of doubt, the Company is not obliged to pay any dividends or Deferred Dividends, as the case may be, in the event that it has insufficient distributable profits.
- (c) The RCPS shall be convertible, at the option of the holder of RCPS, at any time commencing from the Issue Date up to the relevant redemption date of the RCPS, into such number of fully-paid new ordinary shares of the Company, without payment of any consideration, in accordance with the Conversion Ratio.
- (d) Subject to the provisions of the Companies Act 2016 and any other applicable legislation, the Company may at any time on or after the 5th anniversary of the Issue Date, at its discretion, redeem all (and not some only) of the outstanding RCPS by giving notice in writing not less than 30 days prior to the redemption date to the holders of RCPS of its intention to do so.
- (e) An RCPS does not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting. Where the holders of RCPS are entitled to vote at any general meeting, every RCPS shall on a poll, carry one vote for each ordinary share into the RCPS are convertible upon exercise of the Conversion Rights (at the Conversion Ratio) and every ordinary share shall, notwithstanding any other provision of the Constitution of the Company, carry one vote for each of such share.
- (f) The holders of RCPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders of ordinary shares are entitled.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2020, the total number of RCPS that remain unexercised was 94,099,035 (2019: 95,367,255).

24. TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	Units	Units	RM	RM
At 1 January	21,317,500	120,000	10,932,709	88,081
Shares repurchased	31,751,400	21,197,500	13,584,876	10,844,628
Dividend distribution	(45,484,206)	-	(21,832,246)	-
At 31 December	7,584,694	21,317,500	2,685,339	10,932,709



24. TREASURY SHARES (CONT'D)

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional 60,000 treasury shares have been issued. Treasury shares are not entitled for bonus issues.

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 27 July 2020, renewed the authority in relation to shares repurchased. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 31,751,400 (2019: 21,197,500) of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.43 (2019: RM0.51) per share. The total consideration paid for the repurchase including transaction costs was RM13,584,876 (2019: RM10,844,628). The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

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

The Company has the right to resell these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

25. OTHER RESERVES

		Group	
	Note	2020 RM	2019 RM
Non-distributable			
Fair value reserves	(a)	-	(21,750,858)
ESOS reserves	(b)	4,421,701	4,481,102
Foreign currency translation reserves	(c)	112,962,085	110,029,397
Other reserves	(d)	(278,260,818)	(276,068,754)
Warrants reserves	(e)	-	21,352,823
		(160,877,032)	(161,956,290)

		Company	
	Note	2020 RM	2019 RM
Fair value reserves	(a)	-	(21,352,823)
ESOS reserves	(b)	4,421,701	4,481,102
Warrants reserves	(e)	-	21,352,823
		4,421,701	4,481,102

(a) Fair value reserves

Fair value reserves represent the cumulative net change in the financial assets measured at FVTOCI until they derecognised or impaired and fair value allocated to the bonus issue of free detachable Warrants B.

Notes to the Financial Statements

31 December 2020 (Cont'd)

25. OTHER RESERVES (CONT'D)

- (b) ESOS reserves

	Group/Company	
	2020 RM	2019 RM
Non-distributable		
At 1 January	4,481,102	5,007,687
Exercise of ESOS	-	(57,291)
Realisation of ESOS reserves	(59,401)	(469,294)
At 31 December	4,421,701	4,481,102

Employees' Share Option Scheme reserves represent the equity-settled share options granted to employees. The reserves is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry, cancellation or exercise of the share options.

Details of Employees' Share Option Scheme are disclosed in Note 41.

- (c) Foreign currency translation reserves

The foreign currency translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

- (d) Other reserves

Other reserves represent the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid.

- (e) Warrants reserves

	Number of shares		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
Non-distributable				
Warrants B				
At 1 January	99,949,262	99,949,262	21,352,823	21,352,823
Realisation of warrants reserves	(739,098)	-	(157,871)	-
Expiry of warrants	(99,210,164)	-	(21,194,952)	-
At 31 December	-	99,949,262	-	21,352,823

Warrants reserves represent reserves allocated to the detachable Warrants B.



25. OTHER RESERVES (CONT'D)

(e) Warrants reserves (Cont'd)

The salient terms of Warrants B are as follows:

On 5 October 2015, the Company had issued 136,429,897 Warrants B to all the entitled shareholders of the Company on the basis of 1 free Warrants B for every 4 existing ordinary shares held in the Company.

The Warrants B are constituted under a Deed Poll executed on 3 September 2015 and each warrant entitles the registered holder the right at any time during the exercise period from 5 October 2015 to 4 October 2020 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM1.25 each.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional Warrants B of 54,671,815 have been issued. The exercise prices for all the warrants have been adjusted accordingly.

The exercise period of Warrants B expired on 2 October 2020.

The new ordinary shares allotted and issued upon exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

During the financial year, a total of 739,098 warrants were exercised before the expiry date of the warrants on 2 October 2020 ("Expiry Date"), which resulted in 739,098 new ordinary shares being allotted, issued and listed. As at Expiry Date, 99,210,164 unexercised warrants become null, void and ceased to be exercisable and the same amount was removed from the official list of Bursa Malaysia Securities Berhad with effect from 5 October 2020.

26. PERPETUAL SUKUK

	Group/Company 2020 RM
Issuance nominal value	130,000,000

The Company established a Perpetual Sukuk Musharakah Programme ("Perpetual Sukuk") of up to RM700 million in nominal value based on the Shariah principle of Musharakah. On 30 March 2020, the Company issued the first series of secured unrated perpetual Sukuk amounted to RM130 million in nominal value.

The Perpetual Sukuk is established to raise funds as and when required to be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk.

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Shariah principle of Musharakah;
- (b) The expected periodic distribution rate from year 1 to year 5 is 6.8% per annum payable semi-annually. The first call date is on 28 March 2025 ("First Call Date"). If the Company does not exercise its option to redeem the Perpetual Sukuk on the First Call Date, the periodic distribution rate increases by 2.5% per annum in year 6 and subsequently the periodic distribution rate increases by additional 1% per annum on each anniversary of the First Call Date and subject to a maximum rate of 15% per annum;

Notes to the Financial Statements

31 December 2020 (Cont'd)

26. PERPETUAL SUKUK (CONT'D)

The salient features of the Perpetual Sukuk are as follows: (Cont'd)

- (c) No fixed redemption date but the Company has the option to redeem at the end of the fifth year from the date of issue and on each subsequent semi-annual periodic distribution date;
- (d) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:
 - (i) Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;
 - (ii) Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;
 - (iii) Change in Control Event - if Tan Sri Dato' Sri Lim Hock San ceases to be the single largest shareholder (directly or indirectly) of the Company;
 - (iv) Leverage Event - if the Net Debts over Equity Ratio of the Company (on a consolidated basis) exceeds 1.25 times;
 - (v) Privatisation Event - if the Company fails to maintain the status as a public listed company on Bursa Malaysia Securities Berhad and is delisted; and
 - (vi) Shareholder Event - the Company reduces the issued and fully paid ordinary shares.
- (e) Payment obligations on the Perpetual Sukuk will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company.

27. TRADE PAYABLES

	2020 RM	Group 2019 RM
Non-current		
Trade payables	459,095,497	449,003,146
Current		
Trade payables		
- Third parties	367,361,149	427,219,790
- Related parties	131,906	8,788
	367,493,055	427,228,578
Retention sum		
- Third parties	84,198,270	89,547,324
- Related parties	-	7,098
	84,198,270	89,554,422
	451,691,325	516,783,000
Total trade payables	910,786,822	965,786,146



27. TRADE PAYABLES (CONT'D)

(a) Non-current trade payables

This mainly represents payables for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

(b) Current trade payables

The normal trade credit terms granted to the Group range from cash basis to 60 days (2019: cash basis to 60 days) depending on the terms of the contracts.

Included in trade payables of the Group mainly comprise of an amount of RM83,892,321 (2019: RM94,998,803) for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

28. OTHER PAYABLES

	2020 RM	Group 2019 RM
Non-current		
Other payables		
- Related parties	52,354,151	49,892,363
Current		
Other payables		
- Third parties	124,076,890	113,862,742
- Related parties	7,375,835	18,229,239
	131,452,725	132,091,981
Accruals	313,314,783	302,355,267
Deposits		
- Third parties	5,493,992	5,151,110
- Related party	7,900	14,300
	5,501,892	5,165,410
Amount due to a shareholder	2,360,462	4,996,821
	452,629,862	444,609,479
Total other payables	504,984,013	494,501,842
	2020 RM	Company 2019 RM
Current		
Other payables		
- Third parties	465,755	304,142
Accruals		
- Third parties	762,537	1,157,586
Total other payables	1,228,292	1,461,728

Notes to the Financial Statements

31 December 2020 (Cont'd)

28. OTHER PAYABLES (CONT'D)

(a) Non-current other payables

Unsecured advances of RM52,354,151 (2019: RM49,892,363) from a joint venture partner which is not expected to be settled within the next twelve months.

(b) Current other payables

Included in other payables of the Group mainly comprise of the followings:

(i) An amount of RM5,152,483 (2019: RM19,187,483) for equity interest acquisition from non-controlling interests.

(ii) An amount of RM6,379,601 (2019: RM6,379,601) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.

(iii) Provision for affordable housing

The recognition of such provision would result in the recognition of a corresponding asset in the form of common costs in the development of premium housing as included in land held for property development and property development costs.

The movements of the provision for affordable housing are as follows:

	2020 RM	Group 2019 RM
At 1 January	-	74,153,980
Reversal	-	(74,153,980)
At 31 December	-	-

29. LEASE LIABILITIES

	2020 RM	Group 2019 RM
At 1 January, as previously reported	41,902,674	-
Effect of adopting MFRS 16	-	47,604,864
At 1 January, as restated	41,902,674	47,604,864
Additions	7,116,280	8,321,392
Payments	(13,152,729)	(16,971,459)
Rent concessions related to COVID-19	(39,260)	-
Accretion of interest	2,330,771	3,065,082
Expiration of lease contracts	(211,270)	(117,205)
Exchange differences	(4,018)	-
At 31 December	37,942,448	41,902,674



29. LEASE LIABILITIES (CONT'D)

	2020 RM	Group 2019 RM
Presented as:		
Non-current	24,469,563	27,553,165
Current	13,472,885	14,349,509
	37,942,448	41,902,674

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	2020 RM	Group 2019 RM
Within one year	15,172,877	16,552,064
Between one year and two years	12,091,736	6,681,401
Between two years and five years	13,903,611	23,041,481
After five years	51,640	227,460
	41,219,864	46,502,406
Less: Future finance charges	(3,277,416)	(4,599,732)
Present value of lease liabilities	37,942,448	41,902,674

The Group leases various land, buildings, office equipment, furniture and fittings, renovations, plant machinery and equipment and motor racing circuits. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities at the reporting date range from 2.18% to 7.57% (2019: 2.18% to 7.57%).

30. BANK BORROWINGS

	2020 RM	Group 2019 RM
Secured		
<i>Floating rates:</i>		
Bridging loans	222,473,688	230,280,603
Term loans	391,061,883	451,614,123
Revolving credits	225,622,501	301,109,436
Trade services	71,944,467	25,752,902
Total bank borrowings	911,102,539	1,008,757,064

Notes to the Financial Statements

31 December 2020 (Cont'd)

30. BANK BORROWINGS (CONT'D)

	Group	
	2020 RM	2019 RM
Analysed as:		
Repayable within twelve months		
<i>Floating rates:</i>		
Bridging loans	114,425,941	27,631,714
Term loans	143,300,144	155,507,532
Revolving credits	225,622,501	301,109,436
Trade services	71,944,467	25,752,902
	555,293,053	510,001,584
Repayable after twelve months		
<i>Floating rates:</i>		
Bridging loans	108,047,747	202,648,889
Term loans	247,761,739	296,106,591
	355,809,486	498,755,480
Total bank borrowings	911,102,539	1,008,757,064
	Company	
	2020 RM	2019 RM
Secured		
<i>Floating rates:</i>		
Term loans	114,214,989	129,272,426
Revolving credits	83,565,559	139,182,452
	197,780,548	268,454,878
Total bank borrowings	197,780,548	268,454,878
Analysed as:		
Repayable within twelve months		
<i>Floating rates:</i>		
Term loans	99,714,989	80,272,426
Revolving credits	83,565,559	139,182,452
	183,280,548	219,454,878
Repayable after twelve months		
<i>Floating rates:</i>		
Term loans	14,500,000	49,000,000
	14,500,000	49,000,000
Total bank borrowings	197,780,548	268,454,878



30. BANK BORROWINGS (CONT'D)

The banking facilities of the Group and of the Company obtained from licensed banks are secured by the followings:

- (a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
- (b) fixed charge over certain capital work-in-progress as disclosed in Note 6;
- (c) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- (d) fixed charge over certain inventories of subsidiary companies as disclosed in Note 7(b);
- (e) fixed charge over certain investment properties and/or legal assignment of tenancy agreements over certain investment properties as disclosed in Note 8(a);
- (f) legal assignment of cash flows and/or insurance proceeds and/or sale proceeds and/or performance bonds in relation to projects being developed by subsidiary companies;
- (g) certain securities listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") as disclosed in Note 9(a);
- (h) pledged of fixed deposits as disclosed in Note 19; and
- (i) corporate guarantees provided by the Company and/or certain subsidiary companies.

Maturities of bank borrowings are as follows:

	Group	
	2020 RM	2019 RM
Within one year	555,293,053	510,001,584
Between one and two years	153,956,836	119,858,538
Between two and three years	61,037,533	149,956,747
Between three and four years	36,333,812	112,452,041
Between four and five years	27,645,105	32,541,223
After five years	76,836,200	83,946,931
	911,102,539	1,008,757,064
	Company	
	2020 RM	2019 RM
Within one year	183,280,548	219,454,878
Between one and two years	12,750,000	38,000,000
Between two and three years	1,750,000	11,000,000
	197,780,548	268,454,878

Notes to the Financial Statements

31 December 2020 (Cont'd)

30. BANK BORROWINGS (CONT'D)

The range of effective interest rates per annum of the Group and of the Company at the reporting date are as follows:

	Group	
	2020	2019
	%	%
Bridging loans	5.30 - 7.82	5.77 - 8.01
Term loans	3.15 - 10.50	4.40 - 10.50
Revolving credits	4.15 - 7.10	4.94 - 10.70
Trade services	5.82 - 8.01	3.46 - 7.20

	Company	
	2020	2019
	%	%
Term loans	4.85 - 10.50	4.95 - 10.50
Revolving credits	4.53 - 7.10	5.10 - 10.70

31. SUKUK MURABAHAH ("SUKUK")

	Group	
	2020	2019
	RM	RM
Secured		
Repayable within twelve months	9,202,000	4,452,000
Repayable after twelve months	75,622,000	84,824,000
Total Sukuk	84,824,000	89,276,000

Maturities of Sukuk are as follows:

	Group	
	2020	2019
	RM	RM
Within one year	9,202,000	4,452,000
Between one and two years	13,952,000	9,202,000
Between two and three years	13,952,000	13,952,000
Between three and four years	9,202,000	13,952,000
Between four and five years	4,452,000	9,202,000
After five years	34,064,000	38,516,000
	84,824,000	89,276,000



31. SUKUK MURABAHAH ("SUKUK") (CONT'D)

On 15 December 2017, a subsidiary company established a Sukuk Murabahah Programme ("Programme") of up to RM500 million in nominal value with a tenure of up to 20 years from the first issuance date.

On 10 January 2018, the subsidiary company made its first issuance pursuant to the Programme for an amount of RM5,000,000 at its nominal value that carries profit rates ranging from 7.97% to 8.22% per annum. It was repaid in full on 10 January 2019.

On 12 February 2018, the subsidiary company made a second issuance of RM28.5 million pursuant to the Programme at its nominal value that carries profit rates ranging from 6.53% to 6.54% per annum. It is repayable in 6 semi-annually principal payments commencing from 11 August 2021.

On 26 July 2018 and 21 August 2018, the subsidiary company made a third issuance of RM67.0 million pursuant to the Programme at its nominal value that carries profit rates ranging from 6.53% to 6.54% per annum. It is repayable in 180 monthly principal payments commencing on subsequent months from their issuance dates.

The Sukuk is secured by the followings:

- fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- legal assignment of cashflows or insurance proceeds in relation to projects being developed by subsidiary companies; and
- corporate guarantees provided by the Company and certain subsidiary companies.

The effective interest rate at the reporting date is 5.35% (2019: 6.34%) per annum.

32. DEFERRED TAX LIABILITIES

	2020 RM	Group 2019 RM
At 1 January, as previously reported	3,722,975	6,206,120
Effect of adopting MFRS 16	-	5,444
At 1 January, as restated	3,722,975	6,211,564
Recognised in profit or loss	(2,993,423)	69,854
Crystallisation of deferred tax	(1,698,911)	(1,639,923)
Exchange differences	1,625,125	(918,520)
At 31 December	655,766	3,722,975

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	2020 RM	Group 2019 RM
Deferred tax liabilities	43,472,663	42,267,172
Deferred tax assets	(42,816,897)	(38,544,197)
	655,766	3,722,975

Notes to the Financial Statements

31 December 2020 (Cont'd)

32. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets at the end of reporting period prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Others RM	Total RM
2020			
At 1 January	40,941,094	1,326,078	42,267,172
Recognised in profit or loss	223,921	(588,850)	(364,929)
Under provision in prior year	1,560,636	83,570	1,644,206
Crystallisation of deferred tax	(1,698,911)	-	(1,698,911)
Exchange differences	1,625,125	-	1,625,125
At 31 December	42,651,865	820,798	43,472,663
2019			
At 1 January, as previously reported	44,250,335	5,993	44,256,328
Effect of adopting MFRS 16	-	6,044	6,044
At 1 January, as restated	44,250,335	12,037	44,262,372
Recognised in profit or loss	(1,204,689)	454,541	(750,148)
Under provision in prior year	453,891	859,500	1,313,391
Crystallisation of deferred tax	(1,639,923)	-	(1,639,923)
Exchange differences	(918,520)	-	(918,520)
At 31 December	40,941,094	1,326,078	42,267,172

Deferred tax assets of the Group

	Unutilised capital allowances RM	Unused tax losses RM	Others RM	Total RM
2020				
At 1 January	(2,596,240)	(113,163)	(35,834,794)	(38,544,197)
Recognised in profit or loss	(728,695)	298,675	(2,793,220)	(3,223,240)
(Under)/Over provision in prior year	(419,420)	(903,498)	273,458	(1,049,460)
At 31 December	(3,744,355)	(717,986)	(38,354,556)	(42,816,897)
2019				
At 1 January, as previously reported	(3,018,950)	(272,353)	(34,758,905)	(38,050,208)
Effect of adopting MFRS 16	-	-	(600)	(600)
At 1 January, as restated	(3,018,950)	(272,353)	(34,759,505)	(38,050,808)
Recognised in profit or loss	417,668	270,480	(1,588,620)	(900,472)
Over/(Under) provision in prior year	5,042	(111,290)	513,331	407,083
At 31 December	(2,596,240)	(113,163)	(35,834,794)	(38,544,197)



32. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	2020 RM	Group 2019 RM
Unutilised capital allowances	4,405,193	1,732,416
Unused tax losses	109,747,838	91,380,063
Deductible temporary differences	71,254,330	57,657,130
	185,407,361	150,769,609

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

With effect from year of assessment 2019, the unused tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation.

33. BANK OVERDRAFTS

	2020 RM	Group 2019 RM
Secured		
Repayable within twelve months	79,912,915	93,794,619
	2020 RM	Company 2019 RM
Secured		
Repayable within twelve months	2,920,453	2,500,588

The bank overdrafts obtained from licensed banks are secured by the followings:

- (a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
- (b) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- (c) fixed charge over certain investment properties as disclosed in Note 8(a);
- (d) pledge of fixed deposits as disclosed in Note 19;
- (e) certain securities listed on Bursa Securities or Hong Kong Stock Exchange as disclosed in Notes 9(a) and 11 respectively; and
- (f) corporate guarantees provided by the Company and certain subsidiary companies.

Notes to the Financial Statements

31 December 2020 (Cont'd)

33. BANK OVERDRAFTS (CONT'D)

The range of effective interest rates per annum of the Group and of the Company at the reporting date is as follows:

	Group	
	2020	2019
	%	%
Bank overdrafts	5.40 - 7.22	6.72 - 8.17

	Company	
	2020	2019
	%	%
Bank overdrafts	6.35	8.10

34. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

On 5 September 2018, Utuh Sejagat Sdn. Bhd. ("USSB"), a wholly-owned subsidiary company of Kalimah Jaya Sdn. Bhd., issued Ringgit Malaysia fifty million (RM50,000,000) Redeemable Convertible Preference Shares ("RCPS") and four million seven hundred and fifty thousand (4,750,000) free attachable Zero-Rated Redeemable Preference Shares ("ZRPS") equivalent to 9.5% per annum of the RM50 million RCPS.

The purpose of the issuance of RCPS and ZRPS ("Instrument") is for project financing.

The tenure of the Instrument is one year from the date of the first issuance of the Instrument ("Tenure 1") with an option to extend the tenure for a period of six months commencing from the expiry of Tenure 1.

The Instrument was successfully issued in September 2018.

On 26 September 2019, USSB redeemed Ringgit Malaysia thirty million (RM30,000,000) RCPS.

On 2 March 2020, USSB redeemed Ringgit Malaysia twenty million (RM20,000,000) RCPS.

The movements of the Instrument is as follows:

	RCPS	ZRPS	TOTAL
	RM	RM	RM
2020			
At 1 January	20,000,000	-	20,000,000
Repayment	(20,000,000)	-	(20,000,000)
At 31 December	-	-	-
2019			
At 1 January	50,000,000	-	50,000,000
Additions	-	950,000	950,000
Repayment	(30,000,000)	(950,000)	(30,950,000)
At 31 December	20,000,000	-	20,000,000



34. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

The Instrument is secured by the followings:

- (a) Assignment over certain land held for property development and property development costs as disclosed in Note 7(a); and
- (b) Corporate guarantee by the Company.

35. REVENUE

	Group	
	2020	2019
	RM	RM
Revenue from contracts with customers		
Property development	1,012,805,460	1,029,185,950
Completed properties	22,081,535	151,848,645
Construction and trading	32,147,261	111,663,379
Motor racing events and sponsorship	17,332,188	16,138,927
Management fees from third parties	374,550	-
Hospitality	485,243	2,514,860
Rendering of services	801,780	472,959
Sale of investment properties	160,000	-
Tourism	-	121,003
	1,086,188,017	1,311,945,723
Revenue from other sources		
Retail mall	4,286,808	4,287,425
Motor racing events and sponsorship	5,856,232	8,955,167
Tourism	-	71,469
	10,143,040	13,314,061
	1,096,331,057	1,325,259,784
	Company	
	2020	2019
	RM	RM
Revenue from contracts with customers		
Management fees from a subsidiary company	5,000	30,000
Revenue from other source		
Dividends from subsidiary companies	34,260,000	35,500,000
	34,265,000	35,530,000

Notes to the Financial Statements

31 December 2020 (Cont'd)

35. REVENUE (CONT'D)

	Group	
	2020 RM	2019 RM
Timing of revenue recognition		
At a point in time	70,831,664	201,867,401
Over time	1,015,356,353	1,110,078,322
Total revenue from contracts with customers	1,086,188,017	1,311,945,723

	Company	
	2020 RM	2019 RM
Timing of revenue recognition		
Over time	5,000	30,000
Total revenue from contracts with customers	5,000	30,000

Set below is the disaggregation of the Group's revenue from contracts with customers:

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
Group					
2020					
Major goods and services					
Property development	1,012,805,460	-	-	-	1,012,805,460
Sale of goods	22,081,535	18,290,311	-	-	40,371,846
Construction contract services	-	13,856,950	-	-	13,856,950
Motor racing events and sponsorship	-	-	17,332,188	-	17,332,188
Management fees	-	-	-	374,550	374,550
Hospitality	-	-	-	485,243	485,243
Rendering of services	-	-	-	801,780	801,780
Sale of investment properties	-	-	-	160,000	160,000
Total revenue from contracts with customers	1,034,886,995	32,147,261	17,332,188	1,821,573	1,086,188,017



35. REVENUE (CONT'D)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
Group					
2019					
Major goods and services					
Property development	1,029,185,950	-	-	-	1,029,185,950
Sale of goods	151,848,645	31,264,134	-	-	183,112,779
Construction contract services	-	80,399,245	-	-	80,399,245
Motor racing events and sponsorship	-	-	16,138,927	-	16,138,927
Hospitality	-	-	-	2,514,860	2,514,860
Rendering of services	-	-	-	472,959	472,959
Tourism	-	-	-	121,003	121,003
Total revenue from contracts with customers	1,181,034,595	111,663,379	16,138,927	3,108,822	1,311,945,723
Group					
2020					
Geographical market					
Malaysia	1,034,886,995	32,147,261	-	1,821,573	1,068,855,829
People's Republic of China	-	-	17,332,188	-	17,332,188
Total revenue from contracts with customers	1,034,886,995	32,147,261	17,332,188	1,821,573	1,086,188,017
2019					
Geographical market					
Malaysia	1,181,034,595	111,663,379	-	3,108,822	1,295,806,796
People's Republic of China	-	-	16,138,927	-	16,138,927
Total revenue from contracts with customers	1,181,034,595	111,663,379	16,138,927	3,108,822	1,311,945,723

Notes to the Financial Statements

31 December 2020 (Cont'd)

36. COST OF SALES

	2020 RM	Group 2019 RM
Property development	701,847,154	695,136,689
Completed properties	26,842,961	137,022,515
Construction and trading	30,911,882	106,449,659
Motor racing events and sponsorship	5,575,049	9,866,249
Hospitality	136,786	792,565
Retail mall	3,469,711	4,119,824
Rendering of services	428,647	430,827
Sales of investment properties	148,285	-
Tourism	-	189,436
	769,360,475	954,007,764

37. FINANCE COSTS

	2020 RM	Group 2019 RM
Interest expenses on:		
Term loans	25,983,667	31,191,661
Bank overdrafts	4,314,679	8,543,782
Sukuk	5,033,886	5,822,130
Bridging loans	11,160,347	20,807,857
Revolving credits	12,940,737	17,940,883
Lease liabilities	2,330,771	3,065,082
Trade services	1,294,544	1,467,268
Advances from holding company	1,073	287,596
RCPS	316,667	3,800,000
Others	1,580,241	1,171,012
	64,956,612	94,097,271
Less: Interest capitalised in:		
- Capital work-in-progress (Note 6)	(862,628)	(104,842)
- Land held for property development and property development costs [Note 7(a)(ii)]	(21,241,713)	(33,603,025)
	42,852,271	60,389,404



37. FINANCE COSTS (CONT'D)

	Company	
	2020	2019
	RM	RM
Interest expenses on:		
Term loans	7,165,886	7,779,532
Bank overdrafts	159,787	1,543,440
Revolving credits	5,779,724	8,048,805
Advances from a subsidiary company	31,184	374
	13,136,581	17,372,151
Less:		
Cost sharing by subsidiary companies	(3,789,655)	(1,847,804)
	9,346,926	15,524,347

38. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Group	
	2020	2019
	RM	RM
Accrual for claims and staff economic compensation	12,763	598,816
Allowance for impairment losses on:		
- Assets held for sale	88,856	-
- Contract assets	-	157,164
- Goodwill arising on consolidation	15,210,840	342,113
- Investment in associates	48,268	250,826
- Investment properties	523,457	24,437
- Other investments	34,000	150,000
- Property, plant and equipment	-	15,223
- Right-of-use assets	86,891	-
- Trade and other receivables	1,474,564	1,903,906
Amortisation of intangible assets	1,179,734	806,082
Auditors' remuneration		
- Statutory	905,942	864,630
- Others	-	105,873
- Under provision in prior years	16,700	60,564
Bad debts written off	738,600	691,046
Capital work-in-progress written off	-	255,839
Deposits written off	18,883	175,453

Notes to the Financial Statements

31 December 2020 (Cont'd)

38. PROFIT BEFORE TAX (CONT'D)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	2020 RM	Group 2019 RM
Depreciation of:		
- Investment properties	2,253,271	2,477,337
- Property, plant and equipment	9,961,893	10,102,524
- Right-of-use assets	23,583,485	21,211,644
Fair value adjustment on trade receivables	(52,183)	117,083
Fair value loss/(gain) on revaluation of financial assets measured at FVTPL	8,481	(16,029)
Lease expenses relating to short-term leases:		
- Rental of premises	108,252	142,575
- Rental of office equipment	95,300	64,821
Prepayment written off	446,019	-
Property, plant and equipment written off	20,163	136,161
Property development costs written off	439,566	11,537
Waiver of interest income	1,479,115	1,039,057
<u>Non-Executive Directors' remuneration:</u>		
Company's Directors		
- Fees	166,950	166,950
- Other emoluments	813,400	866,400
- Social security contributions	593	593
- Other benefits	6,643	2,186
Subsidiary companies's Directors		
- Fees	384,700	385,200
- Other emoluments	22,750	22,250
Net loss/(gain) on foreign exchange		
- Realised	365,597	179,766
- Unrealised	589,391	(73,415)
(Gain)/Loss on disposal of:		
- Assets held for sale	(579,985)	-
- Financial assets measured at FVTPL	(4,336)	-
- Investment properties	(3,115,141)	89,459
- Investment in a subsidiary company	40,902	-
- Property, plant and equipment	(276,238)	(256,003)
- Right-to-use-assets	(258,251)	(445,393)
Bargain purchase gain	(12,353)	-
Dividend income from:		
- Financial assets measured at FVTOCI	-	(1,459,042)
- Financial assets measured at FVTPL	(82,971)	(479,247)
Claims accrued in prior years no longer required	(6,928,283)	-



38. PROFIT BEFORE TAX (CONT'D)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Group	
	2020 RM	2019 RM
Contingency sum accrued in prior years no longer required	(19,515,780)	(23,870,304)
Income from rent concessions	(39,260)	-
Interest income from:		
- Licensed banks	(3,293,704)	(3,929,426)
- Trade receivables	(444,631)	(1,479,699)
- Others	(452,586)	(259,385)
Rental income from:		
- Investment properties	(993,320)	(1,064,738)
- Completed properties	(2,960,279)	(2,375,538)
- Others	(401,999)	(663,202)
Reversal of allowance for impairment losses on trade and other receivables	(2,007,156)	(1,938,833)
Recover of bad debts	(7,302)	(16,046)
Project management fee income	-	(33,333)
Waiver of debts	(3,535)	(54,055)
<hr/>		
	Company	
	2020 RM	2019 RM
Allowance for impairment losses on:		
- Amount due from a subsidiary company	4,758	-
- Investment in a subsidiary company	-	99
Auditors' remuneration		
- Statutory	110,000	100,000
- Others	18,500	37,000
- Under provision in prior years	10,000	12,000
Depreciation on property, plant and equipment	450	450
Deposit written off	10,000	-
<u>Non-Executive Directors' remuneration:</u>		
Company's Directors		
- Fees	166,950	166,950
- Salaries and other emoluments	29,400	26,400
- Other benefits	6,643	2,186

Notes to the Financial Statements

31 December 2020 (Cont'd)

38. PROFIT BEFORE TAX (CONT'D)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Company	
	2020	2019
	RM	RM
Net (gain)/loss on foreign exchange		
- Realised	(490,122)	-
- Unrealised	8,224	83,434
Dividend income from financial assets measured at FVTPL	(12,928)	(70,385)
Interest income from:		
- Advances to subsidiary companies	(12,485,282)	(15,677,525)
- Licensed banks	(385,531)	(540,680)
Fair value loss/(gain) on revaluation of financial assets measured at FVTPL	948	(5,798)

The Group's and Company's non-executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM81,983 (2019: RM61,499).

39. TAXATION

	Group	
	2020	2019
	RM	RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	62,628,516	66,400,025
(Over)/Under provision in prior years	(1,531,505)	656,843
	61,097,011	67,056,868
Deferred tax: (Note 32)		
Relating to origination and reversal of temporary differences	(3,588,169)	(1,650,620)
Crystallisation of deferred tax	(1,698,911)	(1,639,923)
Under provision in prior years	594,746	1,720,474
	(4,692,334)	(1,570,069)
Real property gains tax	39,046	-
	56,443,723	65,486,799



39. TAXATION (CONT'D)

	Company	
	2020	2019
	RM	RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	1,403,266	2,067,598
Under provision in prior years	66,158	577,985
	1,469,424	2,645,583

Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group	
	2020	2019
	RM	RM
Profit before tax	130,990,201	154,064,844
At Malaysian statutory tax rate of 24% (2019: 24%)	31,437,648	36,975,563
Crystallisation of deferred tax	(1,698,911)	(1,639,923)
Differential in tax rate in other jurisdiction	(40)	(2,711)
Subsidiary companies domiciled in tax heaven country	19,458	18,536
Income not subject to tax	(5,351,297)	(3,020,341)
Expenses not deductible for tax purposes	25,691,037	25,522,127
Perpetual sukuk distribution	(1,069,519)	-
Deferred tax assets not recognised	8,929,263	7,664,069
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(616,203)	(2,407,838)
(Over)/Under provision of income tax in prior years	(1,531,505)	656,843
Under provision of deferred tax in prior years	594,746	1,720,474
Real property gains tax	39,046	-
Tax expenses for the financial year	56,443,723	65,486,799

Notes to the Financial Statements

31 December 2020 (Cont'd)

39. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows: (Cont'd)

	Company	
	2020 RM	2019 RM
Profit before tax	32,026,555	31,011,478
At Malaysian statutory tax rate of 24% (2019: 24%)	7,686,373	7,442,755
Expenses not deductible for tax purposes	3,134,284	3,361,224
Perpetual sukuk distribution	(1,069,519)	-
Income not subject to tax	(8,347,872)	(8,736,381)
Under provision of tax in prior years	66,158	577,985
Tax expenses for the financial year	1,469,424	2,645,583

The Group has estimated unutilised capital allowances and unused tax losses available for offset against future taxable profits as follows:

	Group	
	2020 RM	2019 RM
Unutilised capital allowances	20,006,674	14,297,665
Unused tax losses	112,739,448	95,616,152
	132,746,122	109,913,817



40. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	2020	Group	2019
	RM		RM
Net profit for the financial year attributable to owners of the parent	51,322,168		67,511,167
Less:			
- Dividends on RCPS	(6,210,536)		(6,294,239)
- Distribution to Perpetual Sukuk holders	(4,456,329)		-
Net profit for the financial year attributable to ordinary equity holders	40,655,303		61,216,928
	Units		Units
Weighted average number of ordinary shares in issue			
- Ordinary shares in issue as at 1 January	1,567,111,011		1,559,026,393
- Effect of ordinary shares issued during the financial year	1,016,511		3,882,546
- Effect of treasury shares held	(31,338,527)		(6,934,362)
Weighted average number of ordinary shares as at 31 December	1,536,788,995		1,555,974,577
Basic earnings per share (sen)	2.65		3.93

Notes to the Financial Statements

31 December 2020 (Cont'd)

40. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the adjusted weighted average number of ordinary shares issued and issuable during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	2020 RM	Group 2019 RM
Net profit for the financial year attributable to owners of the parent	51,322,168	67,511,167
Less:		
- Dividends on RCPS	(6,210,536)	(6,294,239)
- Distribution to Perpetual Sukuk holders	(4,456,329)	-
Net profit for the financial year attributable to ordinary equity holders	40,655,303	61,216,928
	Units	Units
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,536,788,995	1,555,974,577
Weighted average number of ordinary shares deemed issued at no consideration		
- ESOS	*	15,122,691
- RCPS	*	*
Adjusted weighted average number of ordinary shares as at 31 December	1,536,788,995	1,571,097,268
Diluted earnings per share (sen)	2.65	3.90

* The number of shares under ESOS and RCPS was not taken into account in the computation of diluted earnings per share as the ESOS and RCPS do not have any dilutive effect on the weighted average number of ordinary shares.

41. EMPLOYEES' SHARE OPTION SCHEME

The Company has established Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS became effective for a period of 10 years from 18 September 2012 to 17 September 2022.

The salient features of the ESOS are as follows:

- (a) Eligible employees include Directors of the Company and confirmed full time employees of the Company and its eligible subsidiary companies or under a fixed term employment contract, the contract should be for a duration of at least one (1) year, whom must be a Malaysian citizen, shall have attained the age of eighteen (18) years old and have served for at least one year of full continuous service in the Group.
- (b) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS.



41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

- (c) The new Company's shares of RM1.00 each ("new Shares") to be allotted and issued upon the exercise of the ESOS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares of RM1.00 each save and except that the said new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the said new Shares.
- (d) The ESOS shall be in force for a period of ten years.
- (e) The option is personal to the grantee and is non-assignable.
- (f) The option price shall be determined at a discount of not more than 10% from the weighted average market price of the Company's ordinary shares of RM1.00 each for five (5) market days preceding the date of offer, or the par value of the shares, whichever is higher.
- (g) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.
- (h) The options granted may be exercised, subject to the maximum limit of options exercisable in each particular year, at any time within a period of ten years from the date of offer of the option or such period as may be specifically stated in the offer upon giving notice in writing.
- (i) The persons to whom the options have been granted shall not participate in more than one Employees' Share Option Scheme implemented by any company within the Group.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional ESOS of 10,958,400 have been granted to eligible Directors and employees of the Group. The exercise prices for all the ESOS have been adjusted accordingly ("adjusted exercise price").

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows:

	Number of share options over ordinary shares				Exercisable	
	At 1 January	Granted	Forfeited	Exercised	At 31 December	at 31 December
2020						
ESOS						
First Grant	100,210	-	-	-	100,210	100,210
Second Grant	633,160	-	-	-	633,160	633,160
Third Grant	2,420	-	-	-	2,420	2,420
Fourth Grant	228,030	-	-	-	228,030	228,030
Fifth Grant	297,110	-	-	-	297,110	297,110
Sixth Grant	78,430	-	-	-	78,430	78,430
Seventh Grant	-	-	-	-	-	-
Eighth Grant	65,410	-	-	-	65,410	65,410
Ninth Grant	-	-	-	-	-	-
Tenth Grant	759,220	-	-	-	759,220	759,220
Eleventh Grant	130,900	-	-	-	130,900	130,900
Twelfth Grant	198,580	-	-	-	198,580	198,580
Thirteenth Grant	235,620	-	-	-	235,620	235,620
Fourteenth Grant	88,330	-	-	-	88,330	88,330
Fifteenth Grant	1,423,180	-	(2,200)	-	1,420,980	1,420,980
Sixteenth Grant	293,700	-	-	-	293,700	293,700

Notes to the Financial Statements

31 December 2020 (Cont'd)

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows: (Cont'd)

	Number of share options over ordinary shares					Exercisable at	
	At 1 January	Granted	Forfeited	Exercised	At 31 December	at 31 December	
2020							
ESOS							
Seventeenth Grant	109,900	-	-	-	109,900	109,900	
Eighteenth Grant	46,640	-	-	-	46,640	46,640	
Nineteenth Grant	36,960	-	-	-	36,960	36,960	
Twentieth Grant	90,200	-	-	-	90,200	90,200	
Twenty-First Grant	-	-	-	-	-	-	
Twenty-Second Grant	29,920	-	-	-	29,920	29,920	
Twenty-Third Grant	1,260,490	-	-	-	1,260,490	1,260,490	
Twenty-Fourth Grant	181,500	-	-	-	181,500	181,500	
Twenty-Fifth Grant	80,520	-	-	-	80,520	80,520	
Twenty-Sixth Grant	334,620	-	-	-	334,620	334,620	
Twenty-Seventh Grant	24,200	-	-	-	24,200	24,200	
Twenty-Eighth Grant	12,280	-	-	-	12,280	12,280	
Twenty-Ninth Grant	12,100	-	-	-	12,100	12,100	
Thirtieth Grant	-	-	-	-	-	-	
Thirty-First Grant	5,720	-	-	-	5,720	5,720	
Thirty-Second Grant	84,540	-	-	-	84,540	84,540	
Thirty-Third Grant	-	-	-	-	-	-	
Thirty-Fourth Grant	63,580	-	-	-	63,580	63,580	
Thirty-Fifth Grant	1,105,130	-	-	-	1,105,130	1,105,130	
Thirty-Sixth Grant	181,060	-	-	-	181,060	181,060	
Thirty-Seventh Grant	14,960	-	-	-	14,960	14,960	
Thirty-Eighth Grant	345,840	-	-	-	345,840	345,840	
Thirty-Ninth Grant	24,420	-	-	-	24,420	24,420	
Fortieth Grant	663,740	-	-	-	663,740	663,740	
Forty-First Grant	310,200	-	-	-	310,200	310,200	
Forty-Second Grant	87,780	-	-	-	87,780	87,780	
Forty-Third Grant	88,660	-	-	-	88,660	88,660	
Forty-Fourth Grant	80,300	-	-	-	80,300	80,300	
Forty-Fifth Grant	50,040	-	(5,500)	-	44,540	44,540	
Forty-Sixth Grant	2,274,580	-	(89,760)	-	2,184,820	2,184,820	
Forty-Seventh Grant	447,500	-	-	-	447,500	447,500	
Forty-Eighth Grant	1,149,720	-	(110,440)	-	1,039,280	1,039,280	
Forty-Ninth Grant	2,064,480	-	(29,260)	-	2,035,220	2,035,220	
Fiftieth Grant	*	*	*	*	*	*	
	15,795,880	-	(237,160)	-	15,558,720	15,558,720	
WAEP	1.55	-	1.76	-	1.55	1.55	

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-ninth Grant.



41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows: (Cont'd)

	Number of share options over ordinary shares				Exercisable	
	At 1 January	Granted	Forfeited	Exercised	At 31 December	at 31 December
2019						
ESOS						
First Grant	100,210	-	-	-	100,210	100,210
Second Grant	989,560	-	-	(356,400)	633,160	633,160
Third Grant	2,420	-	-	-	2,420	2,420
Fourth Grant	228,030	-	-	-	228,030	228,030
Fifth Grant	435,490	-	(138,380)	-	297,110	297,110
Sixth Grant	78,430	-	-	-	78,430	78,430
Seventh Grant	5,500	-	(5,500)	-	-	-
Eighth Grant	65,410	-	-	-	65,410	65,410
Ninth Grant	11,220	-	(11,220)	-	-	-
Tenth Grant	759,220	-	-	-	759,220	759,220
Eleventh Grant	130,900	-	-	-	130,900	130,900
Twelfth Grant	198,580	-	-	-	198,580	198,580
Thirteenth Grant	269,280	-	(33,660)	-	235,620	235,620
Fourteenth Grant	88,330	-	-	-	88,330	88,330
Fifteenth Grant	1,423,180	-	-	-	1,423,180	1,423,180
Sixteenth Grant	293,700	-	-	-	293,700	293,700
Seventeenth Grant	248,280	-	(138,380)	-	109,900	109,900
Eighteenth Grant	46,640	-	-	-	46,640	46,640
Nineteenth Grant	42,680	-	(5,720)	-	36,960	36,960
Twentieth Grant	90,200	-	-	-	90,200	90,200
Twenty-First Grant	18,700	-	(18,700)	-	-	-
Twenty-Second Grant	29,920	-	-	-	29,920	29,920
Twenty-Third Grant	1,264,230	-	(3,740)	-	1,260,490	1,260,490
Twenty-Fourth Grant	181,500	-	-	-	181,500	181,500
Twenty-Fifth Grant	114,180	-	(33,660)	-	80,520	80,520
Twenty-Sixth Grant	334,620	-	-	-	334,620	334,620
Twenty-Seventh Grant	24,200	-	-	-	24,200	24,200
Twenty-Eighth Grant	12,280	-	-	-	12,280	12,280
Twenty-Ninth Grant	25,080	-	(12,980)	-	12,100	12,100
Thirtieth Grant	-	-	-	-	-	-
Thirty-First Grant	11,220	-	(5,500)	-	5,720	5,720
Thirty-Second Grant	84,540	-	-	-	84,540	84,540
Thirty-Third Grant	17,820	-	(14,220)	(3,600)	-	-
Thirty-Fourth Grant	63,580	-	-	-	63,580	63,580
Thirty-Fifth Grant	1,135,050	-	(29,920)	-	1,105,130	1,105,130
Thirty-Sixth Grant	181,060	-	-	-	181,060	181,060
Thirty-Seventh Grant	48,620	-	(33,660)	-	14,960	14,960
Thirty-Eighth Grant	345,840	-	-	-	345,840	345,840
Thirty-Ninth Grant	24,420	-	-	-	24,420	24,420
Fortieth Grant	663,740	-	-	-	663,740	663,740
Forty-First Grant	544,940	-	(234,740)	-	310,200	310,200
Forty-Second Grant	87,780	-	-	-	87,780	87,780
Forty-Third Grant	94,380	-	(5,720)	-	88,660	88,660
Forty-Fourth Grant	80,300	-	-	-	80,300	80,300

Notes to the Financial Statements

31 December 2020 (Cont'd)

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows: (Cont'd)

	Number of share options over ordinary shares				Exercisable at	
	At 1 January	Granted	Forfeited	Exercised	At 31 December	at 31 December
Forty-Fifth Grant	83,040	-	(33,000)	-	50,040	50,040
Forty-Sixth Grant	2,844,820	-	(570,240)	-	2,274,580	2,274,580
Forty-Seventh Grant	466,200	-	(18,700)	-	447,500	447,500
Forty-Eighth Grant	1,259,940	-	(110,220)	-	1,149,720	1,149,720
Forty-Ninth Grant	2,251,920	-	(187,440)	-	2,064,480	2,064,480
Fiftieth Grant	*	*	*	*	*	*
	17,801,180	-	(1,645,300)	(360,000)	15,795,880	15,795,880
WAEP	1.55	-	1.65	1.08	1.55	1.55

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-ninth Grant.

Details of share options outstanding at the end of the reporting period are as follows:

Share Options	Original exercise prices		Adjusted exercise prices*	Exercise periods	Original fair value of share options at grant date		Adjusted fair value of share options at grant date
	2020 RM	2019 RM			2020 RM	2019 RM	
ESOS							
First Grant	1.00	1.00	0.46	18.09.2012 - 17.09.2022	0.12	0.12	0.06
Second Grant	1.08	1.08	0.51	01.07.2013 - 17.09.2022	0.33	0.33	0.16
Third Grant	1.22	1.22	0.56	01.08.2013 - 17.09.2022	0.39	0.39	0.19
Fourth Grant	1.46	1.46	0.67	01.09.2013 - 17.09.2022	0.77	0.77	0.35
Fifth Grant	1.69	1.69	0.78	01.10.2013 - 17.09.2022	1.07	1.07	0.49
Sixth Grant	1.61	1.61	0.74	01.11.2013 - 17.09.2022	1.10	1.10	0.50
Seventh Grant	1.50	1.50	0.69	01.12.2013 - 17.09.2022	1.03	1.03	0.47
Eighth Grant	1.43	1.43	0.66	01.01.2014 - 17.09.2022	0.96	0.96	0.43
Ninth Grant	1.35	1.35	0.62	01.02.2014 - 17.09.2022	0.91	0.91	0.41
Tenth Grant	1.55	1.55	0.71	01.03.2014 - 17.09.2022	1.04	1.04	0.47
Eleventh Grant	1.55	1.55	0.71	01.04.2014 - 17.09.2022	1.09	1.09	0.50
Twelfth Grant	1.61	1.61	0.74	01.05.2014 - 17.09.2022	1.07	1.07	0.49
Thirteenth Grant	1.56	1.56	0.71	01.06.2014 - 17.09.2022	1.03	1.03	0.47
Fourteenth Grant	1.54	1.54	0.71	01.07.2014 - 17.09.2022	0.70	0.70	0.32
Fifteenth Grant	1.54	1.54	0.71	01.08.2014 - 17.09.2022	0.74	0.74	0.34
Sixteenth Grant	1.52	1.52	0.70	01.09.2014 - 17.09.2022	0.70	0.70	0.32
Seventeenth Grant	1.53	1.53	0.71	01.10.2014 - 17.09.2022	0.71	0.71	0.32
Eighteenth Grant	1.48	1.48	0.68	01.11.2014 - 17.09.2022	0.68	0.68	0.31



41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Details of share options outstanding at the end of the reporting period are as follows: (Cont'd)

Share Options	Original exercise prices		Adjusted exercise prices*	Exercise periods	Original fair value of share options at grant date		Adjusted fair value of share options at grant date
	2020	2019			2020	2019	
	RM	RM			RM	RM	
ESOS							
Nineteenth Grant	1.51	1.51	0.70	01.12.2014 - 17.09.2022	0.59	0.59	0.27
Twentieth Grant	1.44	1.44	0.66	01.01.2015 - 17.09.2022	0.62	0.62	0.28
Twenty-First Grant	1.40	1.40	0.64	01.02.2015 - 17.09.2022	0.55	0.55	0.25
Twenty-Second Grant	1.40	1.40	0.64	01.03.2015 - 17.09.2022	0.52	0.52	0.24
Twenty-Third Grant	1.35	1.35	0.62	01.04.2015 - 17.09.2022	0.63	0.63	0.28
Twenty-Fourth Grant	1.40	1.40	0.64	01.05.2015 - 17.09.2022	0.61	0.61	0.28
Twenty-Fifth Grant	1.48	1.48	0.68	01.06.2015 - 17.09.2022	0.65	0.65	0.29
Twenty-Sixth Grant	1.44	1.44	0.66	01.07.2015 - 17.09.2022	0.61	0.61	0.28
Twenty-Seventh Grant	1.33	1.33	0.61	01.08.2015 - 17.09.2022	0.57	0.57	0.17
Twenty-Eighth Grant	1.18	1.18	0.54	01.09.2015 - 17.09.2022	0.43	0.43	0.20
Twenty-Ninth Grant	1.33	1.33	0.61	01.10.2015 - 17.09.2022	0.52	0.52	0.27
Thirtieth Grant	1.29	1.29	0.60	01.11.2015 - 17.09.2022	0.52	0.52	0.27
Thirty-First Grant	1.23	1.23	0.57	01.12.2015 - 17.09.2022	0.48	0.48	0.22
Thirty-Second Grant	1.28	1.28	0.59	01.01.2016 - 17.09.2022	0.51	0.51	0.23
Thirty-Third Grant	1.22	1.22	0.56	01.02.2016 - 17.09.2022	0.46	0.46	0.21
Thirty-Fourth Grant	1.21	1.21	0.56	01.03.2016 - 17.09.2022	0.46	0.46	0.21
Thirty-Fifth Grant	1.42	1.42	0.65	01.04.2016 - 17.09.2022	0.55	0.55	0.25
Thirty-Sixth Grant	1.43	1.43	0.66	01.05.2016 - 17.09.2022	0.56	0.56	0.25
Thirty-Seventh Grant	1.41	1.41	0.65	01.06.2016 - 17.09.2022	0.54	0.54	0.25
Thirty-Eighth Grant	1.40	1.40	0.64	01.07.2016 - 17.09.2022	0.51	0.51	0.23
Thirty-Ninth Grant	1.45	1.45	0.67	01.08.2016 - 17.09.2022	0.50	0.50	0.23
Fortieth Grant	1.45	1.45	0.67	01.09.2016 - 17.09.2022	0.60	0.60	0.27
Forty-First Grant	1.61	1.61	0.74	01.10.2016 - 17.09.2022	0.57	0.57	0.26
Forty-Second Grant	1.57	1.57	0.72	01.11.2016 - 17.09.2022	0.54	0.54	0.24
Forty-Third Grant	1.51	1.51	0.70	01.12.2016 - 17.09.2022	0.53	0.53	0.24
Forty-Fourth Grant	1.51	1.51	0.70	01.01.2017 - 17.09.2022	0.52	0.52	0.24
Forty-Fifth Grant	1.60	1.60	0.73	01.02.2017 - 17.09.2022	0.58	0.58	0.26
Forty-Sixth Grant	1.71	1.71	0.79	01.03.2017 - 17.09.2022	0.59	0.59	0.27
Forty-Seventh Grant	1.78	1.78	0.81	01.04.2017 - 17.09.2022	0.61	0.61	0.28
Forty-Eighth Grant	1.84	1.84	0.84	15.06.2017 - 17.09.2022	0.54	0.54	0.25
Forty-Ninth Grant	1.69	1.69	0.78	16.09.2017 - 17.09.2022	0.46	0.46	0.21

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-ninth Grant.

Notes to the Financial Statements

31 December 2020 (Cont'd)

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	Group/Company	
	2020 RM	2019 RM
Weighted average fair value at grant date	0.32	0.32
Weighted average share price at grant date	1.26	1.26
Weighted average exercise price	1.18	1.18
Expected volatility (%)	15.64 - 19.85	15.64 - 19.85
Expected option life (years)	10	10
Risk-free interest rate, p.a. (%)	3.72 - 3.95	3.72 - 3.95
Expected dividend yield (%)	1.86 - 2.15	1.86 - 2.15

The expected life of the share options is based on historical data that has been adjusted accordingly to the management's best estimate for the effects of non-transferability exercise restriction and behaviours conditions. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome.

No other features of the option grant were incorporated into the measurement of fair value.

Executive Directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Group/Company	
	2020 Number of share options	2019 Number of share options
ESOS		
At 1 January	5,074,080	6,215,880
Additions *	554,840	209,440
Forfeited	-	(994,840)
Exercised	-	(356,400)
At 31 December	5,628,920	5,074,080

* Unexercised share options previously granted to new key management personnel.

The share options were granted on the same terms and conditions as those offered to other employees of the Group.



42. STAFF COSTS

	Group	
	2020 RM	2019 RM
Fees	645,235	694,913
Salaries, gratuity and other emoluments	60,094,767	69,011,162
Defined contribution plans	7,625,619	7,796,573
Social security contributions	720,398	1,250,841
Employment insurance scheme	28,449	27,740
Benefits-in-kind	547,476	554,084
Other benefits	4,428,182	5,089,155
	74,090,126	84,424,468

The Group's staff costs do not include the estimated monetary value of benefits-in-kind amounting to RM1,371,324 (2019: RM1,251,639).

	Company	
	2020 RM	2019 RM
Other benefits	47,557	49,540
	47,557	49,540

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group	
	2020 RM	2019 RM
Executive Directors		
Company's Directors		
Fees	645,235	675,463
Salaries, gratuity and other emoluments	10,994,707	15,673,432
Defined contribution plans	1,591,896	1,841,617
Social security contributions	5,921	6,010
Employment insurance scheme	474	474
Benefits-in-kind	438,046	456,879
Other benefits	62,594	55,417
	13,738,873	18,709,292

Notes to the Financial Statements

31 December 2020 (Cont'd)

42. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below: (Cont'd)

	Company	
	2020	2019
	RM	RM
Executive Directors		
Company's Directors		
Other benefits	8,694	1,473
	Group	
	2020	2019
	RM	RM
Executive Directors		
Subsidiary companies' Directors		
Salaries, gratuity and other emoluments	2,457,677	2,224,724
Defined contribution plans	234,193	147,924
Social security contributions	19,516	53,282
Employment insurance scheme	190	174
Benefits-in-kind	78,036	37,447
Other benefits	84,799	11,069
	2,874,411	2,474,620
Executive Directors		
Company's Directors	13,738,873	18,709,292
Subsidiary companies' Directors	2,874,411	2,474,620
	16,613,284	21,183,912

The Group's Executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM660,117 (2019: RM477,792).



43. DIVIDENDS

	Group/Company	
	2020	2019
	RM	RM
Dividends recognised as distribution to shareholders of the Company:		
<u>Ordinary Shares</u>		
In respect of the financial year ended 31 December 2018:		
A first and final single-tier dividend of 1.8 sen per ordinary share on 1,558,461,911 ordinary shares	-	28,052,313
In respect of the financial year ended 31 December 2019:		
Share dividend distribution of 45,484,206 treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company	21,832,246	-
<u>RCPS</u>		
In respect of the financial year ended 31 December 2019:		
A preferential dividend of 6.6 sen per RCPS on 95,367,255 RCPS	-	6,294,239
In respect of the financial year ended 31 December 2020:		
A preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	6,210,536	-
	28,042,782	34,346,552

On 17 May 2021, the Directors proposed a first and final single-tier dividend of 1.45 sen per ordinary share in respect of the financial year ended 31 December 2020. The proposed dividend is subject to the approval of the shareholders at the forthcoming 21st Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividend proposed on 17 May 2021. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

Notes to the Financial Statements

31 December 2020 (Cont'd)

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	New finance leases RM	Other changes (ii) RM	At 31 December RM
2020						
Group						
Financial liabilities						
Lease liabilities	29	41,902,674	(9,743,989)	7,116,280	(1,332,517)	37,942,448
Bank borrowings	30	1,008,757,064	(100,530,550)	-	2,876,025	911,102,539
Sukuk	31	89,276,000	(4,452,000)	-	-	84,824,000
RCPS	34	20,000,000	(20,000,000)	-	-	-
		1,159,935,738	(134,726,539)	7,116,280	1,543,508	1,033,868,987
Company						
Financial liabilities						
Amount due to subsidiary companies	17	-	14,901,827	-	14,397,344	29,299,171
Bank borrowings	30	268,454,878	(69,278,369)	-	(1,395,961)	197,780,548
		268,454,878	(54,376,542)	-	13,001,383	227,079,719

	Note	At 1 January RM	Adjustment on adopting MFRS 16 RM	Financing cash flows (i) RM	New finance leases RM	Other changes (ii) RM	At 31 December RM
2019							
Group							
Financial liabilities							
Finance lease payables		46,174,815	(46,174,815)	-	-	-	-
Lease liabilities	29	-	47,604,864	(13,358,794)	8,321,392	(664,788)	41,902,674
Bank borrowings	30	1,005,619,439	-	1,686,389	-	1,451,236	1,008,757,064
Sukuk	31	98,935,242	-	(9,659,242)	-	-	89,276,000
RCPS	34	50,000,000	-	(30,000,000)	-	-	20,000,000
Amount due to holding company		7,020,154	-	(7,020,154)	-	-	-
		1,207,749,650	1,430,049	(58,351,801)	8,321,392	786,448	1,159,935,738
Company							
Financial liabilities							
Amount due to subsidiary companies	17	1,003,662	-	(1,004,036)	-	374	-
Bank borrowings	30	189,249,216	-	79,832,200	-	(626,538)	268,454,878
		190,252,878	-	78,828,164	-	(626,164)	268,454,878



44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

- (i) The financing cash flows include the net amount of proceeds from or repayments of lease liabilities, bank borrowings, Sukuk, RCPS, holding company and subsidiary companies in the statements of cash flows.
- (ii) Other changes include capitalisation of foreign exchange, income from rent concessions, unpaid interests, reclassification from other payable and expiration of lease contracts.

45. RELATED PARTY DISCLOSURES

- (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and/or the Company if the Group and/or the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and/or the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

- (b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2020 RM	Group 2019 RM
Transactions with holding company:		
Dividends paid	7,839,872	11,539,968
Interest expenses on advances	1,073	287,596
Transactions with other related parties:		
Income		
Sale of development properties	2,097,800	2,793,390
Cost sharing with landowner	97,404	-
Rental income	12,000	34,600
Expenses		
Equity instrument	10,695,001	16,000,031
Legal fees	604,290	49,050
Lease expenses	85,400	120,000
Rendering of services	2,052,404	1,611,577
Dividends paid	6,272,337	5,730,670

Notes to the Financial Statements

31 December 2020 (Cont'd)

45. RELATED PARTY DISCLOSURES (CONT'D)

- (b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Company	
	2020	2019
	RM	RM
Transactions with holding company:		
Dividends paid	7,839,872	11,539,968
Transactions with subsidiary companies:		
Dividend income	34,260,000	35,500,000
Management fees expenses	1,150,000	1,293,000
Management fees income	5,000	30,000
Interest expenses on advances	31,184	374
Interest income from advances	12,485,282	15,677,525
Transactions with other related parties:		
Dividends paid	6,076,464	5,513,038

The nature and relationship between the Group and the Company 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 its 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) Person who have financial interest in subsidiary companies;
 - (iv) Directors or 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 or its subsidiary company.
- (c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group	
	2020	2019
	RM	RM
Fees	1,196,885	1,227,613
Salaries, gratuity and other emoluments	19,439,550	24,241,607
Defined contribution plans	2,508,041	2,708,321
Social security contributions	43,592	75,089
Employment insurance scheme	2,449	2,101
Benefits-in-kind	1,482,536	1,355,856
Other benefits	246,553	136,024
	24,919,606	29,746,611



45. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

Remuneration of Directors and other members of key management are as follows: (Cont'd)

	Company	
	2020 RM	2019 RM
Fees	166,950	166,950
Salaries and other emoluments	29,400	26,400
Other benefits	15,337	3,659
	211,687	197,009

46. SEGMENT INFORMATION

The Group has four major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports at least on quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the followings:

Property development	Development of residential, industrial and commercial properties.
Construction and trading	Design and build, civil engineering, general construction, piling activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast products.
Motor racing circuit	Motor racing circuit development and management.
Management, investment and others	Investment holding and provision of management services, tourism development, hospitality, provision of finance through money lending, retail mall and hotel operation.

Investment holding and provision of management services are being managed by two different operating segments within the Group. These operating segments have been aggregated to form a reportable segment as management services taking into account that these operating segments have similar nature of the services.

Others business segments include tourism development, hospitality, provision of finance through money lending, and retail mall, none of which are of a sufficient size to be reported separately. The accounting policies of the segments are consistent with the accounting policies of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes to the Financial Statements

31 December 2020 (Cont'd)

46. SEGMENT INFORMATION (CONT'D)

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's managing director. Segment total assets are used to measure the return of assets of each segment.

Additions to non-current assets represent property, plant and equipment, ROU assets, capital work-in-progress, inventories, investment properties, other investment and trade receivables.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's managing director. Hence no disclosure is made on segment liabilities.

Geographical segments

In determining the Group segment, revenue and non-current assets are based on the geographical location of customers as follows:

	Revenue	
	2020 RM	2019 RM
Malaysia	1,073,142,637	1,300,165,690
People's Republic of China	23,188,420	25,094,094
	<hr/>	<hr/>
	1,096,331,057	1,325,259,784

	Non-current assets	
	2020 RM	2019 RM
Malaysia	1,854,045,745	2,032,467,301
People's Republic of China	160,687,350	158,926,405
Hong Kong	10,614,045	60,444,501
	<hr/>	<hr/>
	2,025,347,140	2,251,838,207

Information about major customers

There is no significant concentration of revenue from any major customers as the major revenue generated by the Group is sale of its development properties to individual purchaser.



46. SEGMENT INFORMATION (CONT'D)

Segment results

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
2020					
Revenue					
Total revenue	1,034,886,995	497,580,668	23,188,420	201,162,933	1,756,819,016
Less: Inter-segment revenue	-	(465,433,407)	-	(195,054,552)	(660,487,959)
Revenue from external customers	1,034,886,995	32,147,261	23,188,420	6,108,381	1,096,331,057
Financial results					
Segment results	139,818,500	16,161,904	4,641,362	8,943,109	169,564,875
Interest income	2,940,923	274,003	219,997	755,998	4,190,921
Finance costs	(11,020,267)	(5,698,627)	(1,188,138)	(24,945,239)	(42,852,271)
Share of profit/(loss) of associates, net of tax	-	111,941	-	(25,265)	86,676
Profit/(Loss) before tax	131,739,156	10,849,221	3,673,221	(15,271,397)	130,990,201
Taxation	(46,099,897)	(7,794,457)	1,610,708	(4,160,077)	(56,443,723)
Net profit/(loss) for the financial year	85,639,259	3,054,764	5,283,929	(19,431,474)	74,546,478
Assets					
Additional investment in associates	-	-	-	1	1
Additions to non-current assets	77,651,653	20,594,056	311,142	5,943,825	104,500,676
Segment assets	3,224,161,156	220,063,413	207,651,657	563,945,223	4,215,821,449

Notes to the Financial Statements

31 December 2020 (Cont'd)

46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
2020					
Other non-cash expenses					
Accrual for claims and staff economic compensation written off	-	-	12,763	-	12,763
Allowance for impairment losses on:					
- Assets held for sale	88,856	-	-	-	88,856
- Goodwill arising on consolidation	8,945,829	6,265,011	-	-	15,210,840
- Investment in an associate	-	-	-	48,268	48,268
- Investment properties	523,457	-	-	-	523,457
- Other investments	-	-	-	34,000	34,000
- Right-of-use assets	-	-	-	86,891	86,891
- Trade and other receivables	1,363,619	-	-	110,945	1,474,564
Amortisation of intangible assets	-	-	-	1,179,734	1,179,734
Bad debts written off	470,481	-	-	268,119	738,600
Deposits written off	-	-	-	18,883	18,883
Depreciation of:					
- Investment properties	59,932	700,967	-	1,492,372	2,253,271
- Property, plant and equipment	1,003,547	5,518,818	502,337	2,937,191	9,961,893
- Right-of-use assets	5,461,321	7,528,368	7,441,466	3,152,330	23,583,485
Fair value loss on revaluation of financial assets measured at FVTPL	9,976	-	-	948	10,924
Loss on disposal of:					
- Financial assets measured at FVTPL	-	-	-	2,625	2,625
- Investment properties	65,149	-	-	-	65,149
- Investment in a subsidiary company	-	-	-	40,902	40,902
- Property, plant and equipment	-	53,457	-	152,863	206,320
Prepayment written off	446,019	-	-	-	446,019
Property development costs written off	439,566	-	-	-	439,566
Property, plant and equipment written off	5	10,000	9,228	930	20,163
Unrealised loss on foreign exchange	-	-	260,719	328,672	589,391
Waiver of interest income	1,479,115	-	-	-	1,479,115



46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
Other non-cash income					
Bargain purchase gain	-	-	-	(12,353)	(12,353)
Claims accrued in prior years no longer required	-	-	(6,928,283)	-	(6,928,283)
Contingency sum accrued in prior years no longer required	(19,515,780)	-	-	-	(19,515,780)
Dividend income from:					
- Financial assets measured at FVTPL	(55,593)	-	-	(27,378)	(82,971)
Fair value gain on revaluation of financial assets measured at FVTPL	-	-	-	(2,443)	(2,443)
Fair value adjustment on trade receivables	-	-	-	(52,183)	(52,183)
Gain on disposal of:					
- Assets held for sale	-	-	-	(579,985)	(579,985)
- Financial assets measured at FVTPL	(6,961)	-	-	-	(6,961)
- Investment properties	(780,763)	-	-	(2,399,527)	(3,180,290)
- Property, plant and equipment	(2,079)	(135,206)	-	(345,273)	(482,558)
- Right-of-use assets	-	(258,251)	-	-	(258,251)
Reversal of allowance for impairment losses on trade and other receivables	(1,665,719)	(47,935)	-	(293,502)	(2,007,156)
Waiver of debts	(3,535)	-	-	-	(3,535)

Notes to the Financial Statements

31 December 2020 (Cont'd)

46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
2019					
Revenue					
Total revenue	1,181,034,595	656,382,708	25,094,094	129,978,592	1,992,489,989
Less: Inter-segment revenue	-	(544,719,329)	-	(122,510,876)	(667,230,205)
Revenue from external customers	1,181,034,595	111,663,379	25,094,094	7,467,716	1,325,259,784
Financial results					
Segment results	182,544,304	22,868,540	(4,484,963)	7,817,343	208,745,224
Interest income	4,488,083	84,102	105,732	990,593	5,668,510
Finance costs	(11,376,902)	(7,468,078)	(1,170,456)	(40,373,968)	(60,389,404)
Share of profit/(loss) of associates, net of tax	-	68,850	-	(28,336)	40,514
Profit/(Loss) before tax	175,655,485	15,553,414	(5,549,687)	(31,594,368)	154,064,844
Taxation	(50,455,541)	(7,899,687)	1,590,150	(8,721,721)	(65,486,799)
Net profit/(loss) for the financial year	125,199,944	7,653,727	(3,959,537)	(40,316,089)	88,578,045
Assets					
Additions to non-current assets	215,376,208	18,886,839	3,094,205	8,926,643	246,283,895
Segment assets	3,238,968,742	243,733,079	205,618,756	601,670,099	4,289,990,676
Other non-cash expenses					
Allowance for impairment losses on:					
- Contract assets	-	157,164	-	-	157,164
- Goodwill arising on consolidation	342,113	-	-	-	342,113
- Investment in associates	-	-	-	250,826	250,826
- Investment properties	24,343	-	-	94	24,437
- Other investments	-	-	-	150,000	150,000
- Property, plant and equipment	-	-	-	15,223	15,223
- Trade and other receivables	640,147	42,780	889,579	331,400	1,903,906
Amortisation of intangible assets	-	-	-	806,082	806,082
Bad debts written off	9,291	-	77,392	604,363	691,046
Capital work-in-progress written off	-	-	-	255,839	255,839
Property development costs written off	11,537	-	-	-	11,537
Deposits written off	50,030	2,200	-	123,223	175,453



46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Motor Racing Circuit RM	Management, Investment and Others RM	Total RM
2019					
Other non-cash expenses (Cont'd)					
Depreciation of:					
- Investment properties	65,488	661,333	-	1,750,516	2,477,337
- Property, plant and equipment	971,531	5,069,891	452,546	3,608,556	10,102,524
- Right-to-use-assets	4,353,184	6,486,083	6,756,252	3,616,125	21,211,644
Fair value loss on revaluation of financial assets measured at FVTPL					
	25,961	-	-	-	25,961
Fair value adjustment on trade receivables					
	-	-	-	117,083	117,083
Loss on disposal of:					
- Investment properties	188,582	-	-	-	188,582
- Property, plant and equipment	-	-	-	358	358
Property, plant and equipment written off					
	-	459	22,031	113,671	136,161
Provision for claims and staff economic compensation					
	-	-	598,816	-	598,816
Waiver of interest income					
	1,039,057	-	-	-	1,039,057
Unrealised loss on foreign exchange					
	-	-	-	84,946	84,946
<hr/>					
Other non-cash income					
Contingency sum provided in prior years no longer required					
	(23,870,304)	-	-	-	(23,870,304)
Dividend income from:					
- Financial assets measured at FVTPL					
	(342,692)	-	-	(136,555)	(479,247)
Fair value gain on revaluation of financial assets measured at FVTPL					
	(35,937)	-	-	(6,053)	(41,990)
Gain on disposal of:					
- Investment properties	-	-	-	(99,123)	(99,123)
- Property, plant and equipment	(43,998)	(207,053)	-	(5,310)	(256,361)
- Right-of-use-assets	(206,395)	-	-	(238,998)	(445,393)
Reversal of allowance for impairment losses on trade and other receivables					
	(1,128,588)	(41,168)	(104,097)	(664,980)	(1,938,833)
Unrealised gain on foreign exchange					
	-	-	(92,235)	(66,126)	(158,361)
Waiver of debts					
	(19,265)	-	-	(34,790)	(54,055)

Notes to the Financial Statements

31 December 2020 (Cont'd)

47. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Carrying amount RM	Financial assets measured at		
		Amortised cost RM	FVTOCI RM	FVTPL RM
Group				
2020				
Financial Assets				
Trade receivables	205,630,662	205,630,662	-	-
Other receivables	89,722,092	89,722,092	-	-
Amount due from an associate	7,247	7,247	-	-
Fixed deposits with licensed banks	20,620,182	20,620,182	-	-
Cash held under Housing Development Accounts	153,675,969	153,675,969	-	-
Cash and bank balances	127,903,940	127,903,940	-	-
	597,560,092	597,560,092	-	-
2019				
Financial Assets				
Trade receivables	413,311,097	413,311,097	-	-
Other receivables	94,993,078	94,993,078	-	-
Amount due from an associate	12,296	12,296	-	-
Other investments	59,403,306	-	49,782,672	9,620,634
Fixed deposits with licensed banks	58,166,355	58,166,355	-	-
Cash held under Housing Development Accounts	105,407,345	105,407,345	-	-
Cash and bank balances	112,829,690	112,829,690	-	-
	844,123,167	784,719,861	49,782,672	9,620,634



47. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial assets measured at Amortised cost RM	FVTPL RM
Company			
2020			
Financial Assets			
Other receivables	3,025,560	3,025,560	-
Amount due from subsidiary companies	668,189,772	668,189,772	-
Fixed deposits with licensed banks	983,492	983,492	-
Cash and bank balances	16,437,344	16,437,344	-
	688,636,168	688,636,168	-
2019			
Financial Assets			
Other receivables	2,038,697	2,038,697	-
Other investments	2,168,854	-	2,168,854
Amount due from subsidiary companies	560,808,929	560,808,929	-
Fixed deposits with licensed banks	25,131,609	25,131,609	-
Cash and bank balances	10,230,119	10,230,119	-
	600,378,208	598,209,354	2,168,854
Group			
2020			
Financial Liabilities			
Trade payables		910,786,822	910,786,822
Other payables		504,984,013	504,984,013
Amount due to an associate		69,283	69,283
Lease liabilities		37,942,448	37,942,448
Bank borrowings and overdrafts		991,015,454	991,015,454
Sukuk		84,824,000	84,824,000
		2,529,622,020	2,529,622,020

Notes to the Financial Statements

31 December 2020 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial liabilities measured at amortised cost RM
2019		
Financial Liabilities		
Trade payables	965,786,146	965,786,146
Other payables	494,501,842	494,501,842
Amount due to an associate	7,200	7,200
Lease liabilities	41,902,674	41,902,674
Bank borrowings and overdrafts	1,102,551,683	1,102,551,683
Sukuk	89,276,000	89,276,000
RCPS	20,000,000	20,000,000
	2,714,025,545	2,714,025,545
Company		
2020		
Financial Liabilities		
Other payables	1,228,292	1,228,292
Amount due to subsidiary companies	29,299,171	29,299,171
Bank borrowings and overdrafts	200,701,001	200,701,001
	231,228,464	231,228,464
2019		
Financial Liabilities		
Other payables	1,461,728	1,461,728
Bank borrowings and overdrafts	270,955,466	270,955,466
	272,417,194	272,417,194

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks, amount due from subsidiary companies and financial guarantees given to banks and non-financial institutions granted to certain subsidiary companies.



47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the property purchasers were using financing from reputable end-financiers, legal title to the properties revert to the Group in the event of default.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM807,355,531 (2019: RM918,952,592), representing the outstanding financial guarantees to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risk, except for loans and advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor its cash flows and ensure that sufficient funding is in place to meet the obligations as and when they fall due.

Notes to the Financial Statements

31 December 2020 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM
Group 2020						
Non-derivative financial liabilities						
Trade payables	910,786,822	910,786,822	451,691,325	17,590,718	44,145,311	397,359,468
Other payables	504,984,013	504,984,013	452,629,862	-	-	52,354,151
Amount due to associates	69,283	69,283	69,283	-	-	-
Lease liabilities	37,942,448	41,219,864	15,172,877	12,091,736	13,903,611	51,640
Bank borrowings and overdrafts	991,015,454	1,081,939,006	669,086,727	177,779,376	147,408,686	87,664,217
Sukuk	84,824,000	121,140,926	13,740,084	17,997,777	53,516,641	35,886,424
	2,529,622,020	2,660,139,914	1,602,390,158	225,459,607	258,974,249	573,315,900

Group 2019						
Non-derivative financial liabilities						
Trade payables	965,786,146	965,786,146	516,783,000	33,604,808	50,264,000	365,134,338
Other payables	494,501,842	494,501,842	444,609,479	-	-	49,892,363
Amount due to associates	7,200	7,200	7,200	-	-	-
Lease liabilities	41,902,674	46,502,406	16,552,064	6,681,401	23,041,481	227,460
Bank borrowings and overdrafts	1,102,551,683	1,258,444,582	666,995,514	153,405,116	342,949,974	95,093,978
Sukuk	89,276,000	114,485,488	10,112,098	14,579,842	48,835,634	40,957,914
RCPS	20,000,000	20,316,667	20,316,667	-	-	-
	2,714,025,545	2,900,044,331	1,675,376,022	208,271,167	465,091,089	551,306,053



47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. (Cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM
Company 2020					
Non-derivative financial liabilities					
Other payables	1,228,292	1,228,291	1,228,291	-	-
Amount due to subsidiary companies	29,299,171	29,299,171	29,299,171	-	-
Bank borrowings and overdrafts	200,701,001	215,013,310	199,268,685	13,909,750	1,834,875
Financial guarantees *	-	807,355,531	807,355,531	-	-
	231,228,464	1,052,896,303	1,037,151,678	13,909,750	1,834,875
Company 2019					
Non-derivative financial liabilities					
Other payables	1,461,728	1,461,728	1,461,728	-	-
Bank borrowings and overdrafts	270,955,466	295,528,409	241,741,684	41,796,725	11,990,000
Financial guarantees *	-	918,952,592	918,952,592	-	-
	272,417,194	1,215,942,729	1,162,156,004	41,796,725	11,990,000

* Based on the maximum amount that can be called for under the financial guarantee contract. At the end of the reporting period, financial guarantee liabilities have not been recognised as there is no indication that the subsidiary companies would default on repayment and the probability that the financial guarantee contracts will be called by third parties is remote.

Notes to the Financial Statements

31 December 2020 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Hong Kong Dollar ("HKD"), EURO ("EUR"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the management.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities that are exposed to foreign currency risk at the end of the reporting period are as follows:

	USD RM	HKD RM	EUR RM	RMB RM	SGD RM	Total RM
Group						
2020						
Financial Assets						
Other receivables	-	1,451	-	-	-	1,451
Fixed deposits with licensed banks	-	-	-	23,135	-	23,135
Cash and bank balances	2,532,838	748,930	995,369	111,098	474,676	4,862,911
	2,532,838	750,381	995,369	134,233	474,676	4,887,497
Group						
2020						
Financial Liabilities						
Trade payables	286,761	-	-	-	-	286,761
Other payables	-	188,077	-	-	-	188,077
	286,761	188,077	-	-	-	474,838
2019						
Financial Assets						
Other receivables	-	1,472	-	-	-	1,472
Fixed deposits with licensed banks	8,210,947	528,850	-	21,827	-	8,761,624
Cash and bank balances	3,023,751	1,679,148	1,011,722	282,501	482,669	6,479,791
	11,234,698	2,209,470	1,011,722	304,328	482,669	15,242,887



47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities that are exposed to foreign currency risk at the end of the reporting period are as follows: (Cont'd)

	USD RM	HKD RM	EUR RM	RMB RM	SGD RM	Total RM
Group						
2019						
Financial Liabilities						
Trade payables	292,178	-	-	579,990	-	872,168
Other payables	1,275,442	192,651	-	82,145	-	1,550,238
	1,567,620	192,651	-	662,135	-	2,422,406

	USD RM	HKD RM	Total RM
Company			
2020			
Financial Asset			
Cash and bank balances	-	6,249	6,249
2019			
Financial Assets			
Fixed deposits with licensed banks	8,210,947	264,428	8,475,375
Cash and bank balances	415,906	22,522	438,428
	8,626,853	286,950	8,913,803

Foreign currency risk sensitivity

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

Notes to the Financial Statements

31 December 2020 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Foreign currency risk sensitivity (Cont'd)

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, HKD, EUR, RMB and SGD exchange rates against RM, with all other variables held constant.

		2020		2019	
	Changes in currency rate	Effect on profit before tax RM		Effect on profit before tax RM	
Group					
USD	Strengthened 10%	224,608	Strengthened 10%	966,708	
	Weakened 10%	(224,608)	Weakened 10%	(966,708)	
HKD	Strengthened 10%	56,230	Strengthened 10%	201,682	
	Weakened 10%	(56,230)	Weakened 10%	(201,682)	
EUR	Strengthened 10%	99,537	Strengthened 10%	101,172	
	Weakened 10%	(99,537)	Weakened 10%	(101,172)	
RMB	Strengthened 10%	13,423	Strengthened 10%	(35,781)	
	Weakened 10%	(13,423)	Weakened 10%	35,781	
SGD	Strengthened 10%	47,468	Strengthened 10%	48,267	
	Weakened 10%	(47,468)	Weakened 10%	(48,267)	
<hr/>					
Company					
USD	Strengthened 10%	-	Strengthened 10%	862,685	
	Weakened 10%	-	Weakened 10%	(862,685)	
HKD	Strengthened 10%	625	Strengthened 10%	28,695	
	Weakened 10%	(625)	Weakened 10%	(28,695)	

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.



47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk at the end of the reporting period are as follows:

	2020 RM	Group 2019 RM
Fixed Rate Instruments		
Financial Asset		
Fixed deposits with licensed banks	20,620,182	58,166,355
Financial Liabilities		
Lease liabilities	37,942,448	41,902,674
RCPS	-	20,000,000
	37,942,448	61,902,674
Floating Rate Instruments		
Financial Assets		
Cash held under Housing Development Accounts	153,675,969	105,407,345
Cash and bank balances	5,296,662	8,721,135
	158,972,631	114,128,480
Financial Liabilities		
Bank borrowings and overdrafts	991,015,454	1,102,551,683
Sukuk	84,824,000	89,276,000
	1,075,839,454	1,191,827,683

Notes to the Financial Statements

31 December 2020 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

	2020 RM	Company 2019 RM
Fixed Rate Instruments		
Financial Asset		
Fixed deposits with licensed banks	983,492	25,131,609
Floating Rate Instruments		
Financial Assets		
Cash and bank balances	1,007,966	655,611
Amount due from subsidiary companies	663,328,341	553,770,684
	664,336,307	554,426,295
Financial Liabilities		
Amount due to a subsidiary company	14,901,827	-
Bank borrowings and overdrafts	200,701,001	270,955,466
	215,602,828	270,955,466

Interest rate risk sensitivity

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's profit before tax by RM9,168,668 (2019: RM10,776,992), arising mainly as a result of lower or higher interest expense on floating rate financial assets and financial liabilities. A change in 1% interest rate at the end of the reporting period would have increased or decreased the Company's profit before tax by RM4,487,335 (2019: RM2,834,708), arising mainly as a result of higher or lower interest income on floating rate financial assets and financial liabilities. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.



47. FINANCIAL INSTRUMENTS (CONT'D)

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Securities and Hong Kong Stock Exchange and are classified as financial assets measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income.

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

(d) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

It was not practical to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Total RM	Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM			
2019						
Group						
Financial asset						
Other investments	59,403,306	-	-	59,403,306	59,403,306	59,403,306
Company						
Financial asset						
Other investments	2,168,854	-	-	2,168,854	2,168,854	2,168,854

Not applicable as at 31 December 2020, as the above other investments have been disposed of during the financial year.

The fair value above has been determined using the following basis:

- The fair value of other investments was determined by reference to the quoted market price in an active market and/or provided by financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

Notes to the Financial Statements

31 December 2020 (Cont'd)

48. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares, buy back issued shares or sell assets to reduce debt.

The Group and the Company monitors capital using gearing ratio, which is the net debt divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	2020 RM	Group 2019 RM
Debts		
Lease liabilities	37,942,448	41,902,674
Bank borrowings and overdrafts	991,015,454	1,102,551,683
Sukuk	84,824,000	89,276,000
RCPS	-	20,000,000
Total debts	1,113,781,902	1,253,730,357
Deposits, cash and bank balances		
Fixed deposits with licensed banks	20,620,182	58,166,355
Cash held under Housing Development Accounts	153,675,969	105,407,345
Cash and bank balances	127,903,940	112,829,690
Total deposits, cash and bank balances	302,200,091	276,403,390
Net debts	811,581,811	977,326,967
Total equity	1,626,555,499	1,458,464,531
Gross gearing ratio	0.68	0.86
Net gearing ratio	0.50	0.67



48. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitors capital using gearing ratio, which is the net debt divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows: (Cont'd)

	Company	
	2020	2019
	RM	RM
Debt		
Bank borrowings and overdrafts	200,701,001	270,955,466
Total debt	200,701,001	270,955,466
Deposits, cash and bank balances		
Fixed deposits with licensed banks	983,492	25,131,609
Cash and bank balances	16,437,344	10,230,119
Total deposits, cash and bank balances	17,420,836	35,361,728
Net debt	183,280,165	235,593,738
Total equity	1,094,191,836	957,472,552
Gross gearing ratio	0.18	0.28
Net gearing ratio	0.17	0.25

There were no changes in the Group's and the Company's approach to capital management during the financial year.

49. SIGNIFICANT EVENT

Impact of COVID-19 pandemic

On 11 March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak as a pandemic due to its rapid spread across the world. This outbreak has resulted in unprecedented life alterations which included travel restrictions, quarantines, lockdowns and other precautionary measures imposed by various countries, never before seen in modern history. With the Malaysian Government imposing the various phases of MCO throughout the year to curb the spread of the virus, the economic impact in Malaysia and the market in which the Group operates is notable.

During the various implementation of MCO, the Group had to temporarily close its sales offices and construction sites. However, the business activities have gradually returned to acceptable norms as property development activities, construction and other business activities were allowed to operate albeit with a strict health and safety protocol to safeguard the people. To mitigate the financial risks arising from the COVID-19 pandemic, the Group increased efforts in digitization to streamline and increase efficiency within its business operations. In line with this, new precautionary measures on cost management, careful rationalisation of new project launches and a disciplined approach to cash management have also been implemented.

As the pandemic is still evolving at the date of authorisation of the financial statements, they are subject to change as the ultimate impact of the situation is impossible to predict.

The Group and the Company will continuously monitor the impact of COVID-19 on their operations and financial performance. Apart from the usual marketing communications, the Group has shifted its marketing strategies through its digital platforms. This adaptation coupled with creative marketing efforts will minimise the potential impact of the outbreak on the Group's and the Company's operations.

Notes to the Financial Statements

31 December 2020 (Cont'd)

50. SUBSEQUENT EVENTS

- (a) On 25 March 2021, the Company has undertaken internal restructuring whereby LBS Bina, a wholly-owned subsidiary company of the Company, disposed 1,000 ordinary shares, representing the entire equity interest in Nuevoprima Development Sdn. Bhd., an indirect wholly-owned subsidiary company of the Company to Leaptec Engineering Sdn. Bhd., an indirect subsidiary company of LBS Bina, for a total cash consideration of RM1,000.
- (b) On 31 March 2021, Casa Inspirasi Sdn. Bhd., a subsidiary company of LBS Bina has entered into a Joint Venture Agreement ("JVA") with Majlis Daerah Cameron Highlands to develop a piece of 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 51.52 acres subject to and upon the terms and conditions of the JVA.
- (c) On 8 April 2021, Leaptec Engineering Sdn. Bhd. has entered into Reclamation and Development Agreement with State Government of Melaka for 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.
- (d) During March 2021 quarter, the Company disposed 21,000,000 ordinary shares representing 4.19% equity interest in MGB for a total cash consideration of RM19,530,000 only. Consequently, MGB became 55.68% owned subsidiary company of the Company.

51. CAPITAL COMMITMENTS

	2020 RM	Group 2019 RM
Approved and contracted for property development:		
- Development Rights Agreements	86,940,000	86,940,000
- Joint Venture Agreements	419,482,075	419,547,626
- Sale and Purchase Agreements	-	3,420,000
Approved and contracted for plant, property and equipment and right-of-use assets:		
- Interior design and renovation works	2,179,373	2,976,336
- Construction of investment properties	10,943,093	-
Authorised but not contracted for right-of-use assets:		
- Sale and Purchase Agreements	-	1,425,600
	519,544,541	514,309,562



52. FINANCIAL GUARANTEE

	Group	
	2020	2019
	RM	RM
<u>Secured:</u>		
Bank guarantees for:		
- property development	49,822,712	49,038,576
- construction contracts	3,632,927	3,560,695
- others	48,200	48,200
	53,503,839	52,647,471
	Company	
	2020	2019
	RM	RM
<u>Unsecured:</u>		
Corporate guarantees given to:		
- licensed banks to secure banking facilities granted to subsidiary companies	758,582,320	855,113,848
- suppliers of goods for credit terms/facilities granted to subsidiary companies	-	15,533
- third parties for undertaking due performance in relation to development rights and joint venture agreements	48,773,211	63,823,211
	807,355,531	918,952,592

53. LIST OF SUBSIDIARY COMPANIES

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020	2019	
		%	%	
Direct holding				
Intellplace Holdings Limited	British Virgin Islands	100	100	Investment holding
LBS Bina Holdings Sdn. Bhd.	Malaysia	100	100	Property development, provision of management services and investment holding
LBS Landscape Sdn. Bhd.	Malaysia	100	100	Turfing and landscaping
Linkway Property Co., Ltd	British Virgin Islands	100	100	Dormant
Kita Sejati Sdn. Bhd.	Malaysia	100	100	Property development

Notes to the Financial Statements

31 December 2020 (Cont'd)

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Direct holding (Cont'd)				
MGB Berhad	Malaysia	59.85	59.36	Provision of management services and investment holding
Puncak Maksimum Berhad	Malaysia	100	100	Dormant
Saujana Tunggal Sdn. Bhd.	Malaysia	100	100	Investment holding
SPJ Construction Sdn. Bhd.	Malaysia	60	60	Dormant
Indirect holding				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.:				
Adil Restu Sdn. Bhd.	Malaysia	100	100	Property development
Alunan Prestasi Sdn. Bhd.	Malaysia	100	100	Property development
Angsana Abadi Sdn. Bhd.	Malaysia	100	100	Property development and other related activities
Astana Modal (M) Sdn. Bhd.	Malaysia	100	100	Property development
Azam Perspektif Sdn. Bhd.	Malaysia	100	100	Property development
Bimbingan Simfoni Sdn. Bhd.	Malaysia	51	51	Property development
Bimbingan Sumber Sdn. Bhd.	Malaysia	60	60	Property development
Casa Inspirasi Sdn. Bhd.	Malaysia	69	69	Property development
Cergas Asal (M) Sdn. Bhd.	Malaysia	100	100	Property development
Dataran Enigma Sdn. Bhd.	Malaysia	61	61	Property development
Dayang Merdeka Sdn. Bhd.	Malaysia	51	51	Property development
Duta Abadi Sdn. Bhd.	Malaysia	100	100	Property development



53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding (Cont'd)				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.: (Cont'd)				
Equal Alliance Sdn. Bhd.	Malaysia	100	100	Property development
Equal Sign Sdn. Bhd.	Malaysia	100	100	Property development and hotel operations
Focal Remedy Sdn. Bhd.	Malaysia	100	100	Property development
Fokus Awana Sdn. Bhd.	Malaysia	100	100	Property development
Galeri Cekap Sdn. Bhd.	Malaysia	100	100	Property development related activities and investment holding
Generasi Nostalgia Sdn. Bhd.	Malaysia	100	100	Dormant
Generasi Simbolik Sdn. Bhd.	Malaysia	100	100	Property development
Getstyle Sdn. Bhd.	Malaysia	100	100	Property development
Healthguard Medicare Sdn. Bhd.	Malaysia	60	60	Dormant
Inderaloka Impian Sdn. Bhd.	Malaysia	100	100	Property development
Induk Pelita Sdn. Bhd.	Malaysia	81	81	Dormant
Intellview Sdn. Bhd.	Malaysia	100	100	Property development
Iringan Kejora Sdn. Bhd.	Malaysia	70	70	Property development
Jatidiri Gigih Sdn. Bhd.	Malaysia	100	100	Property development
Jauhari Unggul Sdn. Bhd.	Malaysia	100	100	Property development
Johan Anggun Sdn. Bhd.	Malaysia	85	85	Property development
Kalimah Jaya Sdn. Bhd.	Malaysia	100	100	Investment holding

Notes to the Financial Statements

31 December 2020 (Cont'd)

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding (Cont'd)				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.: (Cont'd)				
Kemudi Ehsan Sdn. Bhd.	Malaysia	82	80	Property development
Kilatlima Sdn. Bhd.	Malaysia	100	100	Property development and car park management
Kirana Emas Sdn. Bhd.	Malaysia	51	51	Dormant
Koleksi Sigma Sdn. Bhd.	Malaysia	75	75	Property development
LBS Borneo Sdn. Bhd.	Malaysia	51	51	Dormant
LBS Capital Sdn. Bhd.	Malaysia	100	100	Provision of finance through money lending
LBS Maju Sdn. Bhd.	Malaysia	70	70	Dormant
LBS Properties Sdn. Bhd.	Malaysia	100	100	Property investment
Legasi Holdings Group Sdn. Bhd.	Malaysia	51	51	Dormant
Maju Kamabisa Sdn. Bhd.	Malaysia	100	100	Property development and other related activities
Mayang Jelatek Sdn. Bhd.	Malaysia	51	51	Property development
Megah Solaris Sdn. Bhd.	Malaysia	100	100	Dormant
Misi Aktif Sdn. Bhd.	Malaysia	100	100	Property development
MITC Sdn. Bhd.	Malaysia	100	100	Property development, provision of management services and construction
Nuevo Attraction & Destination Sdn. Bhd.	Malaysia	60	60	Dormant
Nuevoprima Development Sdn. Bhd.	Malaysia	100	100	Dormant



53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding (Cont'd)				
Subsidiary companies of LBS Bina Holdings Sdn. Bhd.: (Cont'd)				
Panglima Riang Sdn. Bhd.	Malaysia	51	51	Dormant
Pelangi Homes Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Pembangunan Primer Sdn. Bhd.	Malaysia	80	80	Property development
Prima Utuh Sdn. Bhd.	Malaysia	80	80	Dormant
Puncak Gama Sdn. Bhd.	Malaysia	100	100	Property development
# Retro Court Sdn. Bhd.	Malaysia	-	51	Dormant
Saga Megah Sdn. Bhd.	Malaysia	100	100	Trading of building materials and general construction
Seloka Sinaran Sdn. Bhd.	Malaysia	87.17	81	Property development
Sepadan Maju Sdn. Bhd.	Malaysia	100	100	Dormant
Seribu Baiduri Sdn. Bhd.	Malaysia	100	100	Property development
Sinaran Restu Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Taman Sempurna Sdn. Bhd.	Malaysia	100	51	Dormant
Utuh Aspirasi Sdn. Bhd.	Malaysia	100	100	Property development
Wirama Era Baru Sdn. Bhd.	Malaysia	51	51	Property development

Notes to the Financial Statements

31 December 2020 (Cont'd)

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding (Cont'd)				
Subsidiary company of Saujana Tunggal Sdn. Bhd.: Gerbang Mekar Sdn. Bhd.	Malaysia	100	100	Retail mall
Subsidiary companies of Sinaran Restu Sdn. Bhd.: Juaraplex Sdn. Bhd.	Malaysia	100	100	Property development
Kenderong Sdn. Bhd.	Malaysia	100	100	Property development
KerANJI Bina Sdn. Bhd.	Malaysia	100	100	Property development
Lingkar Semangat Sdn. Bhd.	Malaysia	100	100	Property development
Nilam Mewah Sdn. Bhd.	Malaysia	55	55	Dormant
Pacific Grant Sdn. Bhd.	Malaysia	100	100	Dormant
Silibin Jaya Sdn. Bhd.	Malaysia	100	100	Property development
Subsidiary company of Kalimah Jaya Sdn. Bhd.: Utuh Sejagat Sdn. Bhd.	Malaysia	100	100	Property development
Subsidiary companies of Pelangi Homes Sdn. Bhd.: Restu Bidara Sdn. Bhd.	Malaysia	100	100	Property development
Biz Bena Development Sdn. Bhd.	Malaysia	51.92	51.92	Property development
Subsidiary companies of Galeri Cekap Sdn. Bhd.: ** Leaptec Engineering Sdn. Bhd.	Malaysia	70	-	Industry hub with port facilities



53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding (Cont'd)				
Subsidiary companies of MGB Berhad:				
Alunan Warta Sdn. Bhd.	Malaysia	30.52	30.27	Dormant
MGB Construction Sdn. Bhd.	Malaysia	59.85	59.36	Civil engineering, design and build and general construction activities
MGB Land Sdn. Bhd.	Malaysia	59.85	59.36	Investment holding
MGB Construction & Engineering Sdn. Bhd.	Malaysia	59.85	59.36	Civil engineering, design and build, general construction activities, trading of construction materials activities and investment holding
Newsteel Building Systems Sdn. Bhd.	Malaysia	47.88	47.49	Dormant
Vintage Roofing & Construction Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Vintage Tiles Holdings Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Subsidiary companies of MGB Land Sdn. Bhd.:				
Delta Gallery Sdn. Bhd.	Malaysia	59.85	59.36	Property development
Idaman Aktif Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Idaman Elegan Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Idaman Kukuh Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Idaman Living Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Multi Court Developers Sdn. Bhd.	Malaysia	59.85	59.36	Property development
Sinaran Kencana Sdn. Bhd.	Malaysia	59.85	59.36	Dormant

Notes to the Financial Statements

31 December 2020 (Cont'd)

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding (Cont'd)				
Subsidiary companies of MGB Construction & Engineering Sdn. Bhd.				
Prisma Craft Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Prisma Kasturi Sdn. Bhd.	Malaysia	59.85	59.36	Dormant
Top Ace Solutions Sdn. Bhd.	Malaysia	59.85	59.36	Trading of building materials and general construction activities
MGB Geotech Sdn. Bhd.	Malaysia	59.85	59.36	Piling and foundation construction works
MGB SANY (M) IBS Sdn. Bhd.	Malaysia	48.48	48.08	Manufacturing of Industrialised Building System precast products
Subsidiary company of Intellplace Holdings Limited:				
* Dragon Hill Corporation Limited	Hong Kong	100	100	Investment holding
Subsidiary company of Dragon Hill Corporation Limited:				
* Lamdeal Investments Limited	Hong Kong	100	100	Project investment through a subsidiary company in The People's Republic of China ("PRC")
Subsidiary company of Lamdeal Investments Limited:				
* Zhuhai International Circuit Limited	PRC	60	60	Racing circuit development and management
Subsidiary company of Zhuhai International Circuit Limited:				
* Zhuhai International Circuit Promotion (HK) Limited	Hong Kong	60	60	Providing handling services to its holding company

* Subsidiary companies not audited by UHY.

** Became subsidiary company during the financial year and not audited by UHY.

Disposed during the financial year.



54. LIST OF ASSOCIATES

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2020 %	2019 %	
Indirect holding				
Associates of LBS Bina Holdings Sdn. Bhd.:				
Bayu Cergas Sdn. Bhd.	Malaysia	40	40	Dormant
Bendera Berlian Sdn. Bhd.	Malaysia	49	49	Dormant
Pristine Sunrise (M) Sdn. Bhd.	Malaysia	30	30	Dormant
Sambungan Aktif Sdn. Bhd.	Malaysia	35	30	Dormant
Setara Armada Sdn. Bhd.	Malaysia	30	30	Dormant
Tarikan Puncak Sdn. Bhd.	Malaysia	20	20	Property development
*Usaha Semarak Sdn. Bhd.	Malaysia	35	35	Dormant
Warnasari Idaman Sdn. Bhd.	Malaysia	30	30	Dormant
Associates of MGB Construction & Engineering Sdn. Bhd.				
* YLT Consultancy Sdn. Bhd.	Malaysia	17.96	17.81	Engineering consultancy services
MGB JPC Consultancy Sdn. Bhd.	Malaysia	17.96	17.81	Engineering consultancy services

* Associates not audited by UHY.

55. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 17 May 2021.

List of Material Properties Held By the Group

As At 31 December 2020

Location	Description	Tenure	Net Book Value RM'000	Land Area (acres)	Date of Acquisition
LBS Alam Perdana, Mukim Ijok, Daerah Kuala Selangor, Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 15.02.2111)	309,133.38	344.41	06.10.2017
Lot 102143 & Lot 102142, Mukim Petaling, Wilayah Persekutuan, Kuala Lumpur	Land under development	Leasehold (expiring on 14.08.2116)	175,754.90	10.90	24.09.2018
Jinding, Zhuhai, The People's Republic of China	Land and building (age: 21 years)	Land use right term (expiring on 23.10.2043)	154,846.48	263.34	02.10.2013
Lot 62606, 62607 & 62614, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor Darul Ehsan	Land held for development	Leasehold (expiring on 05.02.2094)	139,145.92	106.65	31.10.2012 / 06.11.2015
Lot 20952, 24962 & 24963, District of Johor Bahru, Johor Darul Takzim	Land held for development	Freehold and leasehold (expiring on 01.11.2099)	138,597.51	5.50	30.04.2015 / 27.10.2015
Lot 13961, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 06.10.2108)	132,409.99	74.63	09.10.2009
Mukim Linau, Daerah Batu Pahat, Negeri Johor Darul Takzim	Land under development and held for development	Freehold	111,057.52	424.52	27.07.2007
PT 3273-3279 & PT 3290, Mukim Tanah Rata, Cameron Highlands, Pahang Darul Makmur	Land under development and held for development	Leasehold (expiring on 03.03.2115 & 24.04.2115)	102,402.01	85.70	30.11.2016
LOT 22823 & LOT 22824, Mukim Ulu Sungai Johor, Kota Tinggi, Johor Darul Takzim	Land held for development	Leasehold (expiring on 12.01.2103)	89,764.31	341.00	19.04.2016
Gombak, Kuala Lumpur	Retail mall known as M3 Mall buildings (age: 4 years)	Leasehold (expiring on 01.11.2111)	86,472.83	3.24	08.03.2018



Analysis of Ordinary Shareholdings

As At 30 April 2021

ORDINARY SHARE CAPITAL

Types of Shares	: Ordinary Shares
Issued Shares Capital	: 1,561,660,457 ordinary shares (excluding treasury shares of 7,584,694)
No. of Shareholders	: 8,687
Voting Rights	: One (1) vote per ordinary share on a poll, in the meeting of shareholders

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholders	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Shareholdings
1 - 99	640	7.367	28,544	0.002
100 - 1,000	1,636	18.833	590,794	0.038
1,001 - 10,000	2,906	33.452	14,287,117	0.915
10,001 - 100,000	2,920	33.614	86,902,972	5.565
100,001 - 78,083,021 (*)	581	6.688	994,471,754	63.680
78,083,022 AND ABOVE (**)	4	0.046	465,379,276	29.800
	8,687	100.000	1,561,660,457	100.000

Remarks:

* Less than 5% of Issued Shares

** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Shareholdings			
	Direct		Indirect	
	No. of Share	%	No. of Share	%
Gaterich Sdn Bhd	560,773,150	35.91	-	-
Tan Sri Dato' Sri Lim Hock San	31,310,514	2.00	560,773,150 ⁽¹⁾	35.91
Datuk Wira Lim Hock Guan	28,130,444	1.80	560,773,150 ⁽¹⁾	35.91
Tan Sri Dr Lim Wee Chai	106,445,350	6.82	-	-
Kumpulan Wang Persaraan (Diperbadankan)	130,016,426	8.33	51,318,536 ⁽⁴⁾	3.29

Analysis of Ordinary Shareholdings (Cont'd)

As At 30 April 2021

DIRECTORS' INTEREST IN SHARES

Name of Directors	Shareholdings			
	Direct No. of Share	%	Indirect No. of Share	%
Tan Sri Dato' Sri Lim Hock San	31,310,514	2.00	564,844,019 ⁽³⁾	36.17
Datuk Wira Lim Hock Guan	28,130,444	1.80	563,400,010 ⁽³⁾	36.08
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	0.04	615,280 ⁽²⁾	0.04
Dato' Sri Lim Hock Seong	8,395,443	0.54	363,975 ⁽²⁾	0.02
Dato' Lim Mooi Pang	5,622,759	0.36	-	-
Datuk Lim Si Cheng	269,654	0.02	-	-
Datuk Dr. Haji Baharum Bin Hj Mohamed	269,654	0.02	-	-
Lim Kim Kiat	682,066	0.04	-	-

Notes:

- (1) Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act").
- (2) Shares held by virtue of Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 8 of the Act and by virtue of Section 59(11)(c) of the Act.
- (4) Deemed interested by virtue of shares held by Fund Managers of Kumpulan Wang Persaraan (Diperbadankan).



LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

Holder Name	Shares Held	Percentage (%)
1 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	130,016,426	8.325
2 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	124,084,100	7.946
3 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM WEE CHAI (PB)	106,218,750	6.802
4 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN.BHD. (SMART)	105,060,000	6.728
5 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	69,500,000	4.450
6 MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	64,607,164	4.137
7 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,886,040	2.874
8 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,192,500	2.829
9 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	40,619,945	2.601
10 RHB NOMINEES (TEMPATAN) SDN BHD INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	39,964,000	2.560
11 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GATERICH SDN BHD (PB)	35,123,000	2.249
12 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	33,172,677	2.124
13 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	29,878,625	1.913
14 KENANGA INVESTMENT BANK BERHAD IVT-(EDSP-OTC/ESH)	29,709,078	1.902
15 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	27,392,518	1.754

Analysis of Ordinary Shareholdings (Cont'd)

As At 30 April 2021

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder) (Cont'd)

Holder Name	Shares Held	Percentage (%)
16 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN BHD	23,525,200	1.506
17 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (MY2970)	19,234,278	1.232
18 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138104A)	19,028,220	1.219
19 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HOCK GUAN	17,420,000	1.116
20 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	17,263,459	1.106
21 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (5140113810 5A)	15,108,923	0.968
22 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	13,357,944	0.855
23 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI OPPORTUNITIES FUND	13,034,753	0.835
24 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (8071190)	12,076,236	0.773
25 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	10,758,468	0.689
26 LIM HOCK GUAN	10,710,444	0.686
27 TMF TRUSTEES MALAYSIA BERHAD LBS BINA GROUP BERHAD	10,688,136	0.684
28 MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	10,105,300	0.647
29 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	9,360,700	0.599
30 LIM SIN KHONG	8,786,504	0.562
TOTAL	1,134,883,388	72.671



Analysis of Preference Shareholdings

As At 30 April 2021

PREFERENCE SHARE CAPITAL

Types of Shares	: Redeemable Convertible Preference Shares ("RCPS")
Issued RCPS capital	: 94,099,035 RCPS
No. of Shareholders	: 985
Voting Rights	: Ten (10) RCPS for eleven (11) votes

DISTRIBUTION OF RCPS SHAREHOLDINGS

Size of Shareholders	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Shareholdings
1 - 99	18	1.828	858	0.001
100 - 1,000	373	37.868	262,761	0.279
1,001 - 10,000	431	43.756	1,583,734	1.683
10,001 - 100,000	117	11.878	3,929,981	4.176
100,001 - 4,704,950 (*)	44	4.467	24,521,981	26.060
4,704,951 AND ABOVE (**)	2	0.203	63,799,720	67.801
	985	100.000	94,099,035	100.000

Remarks:

* Less than 5% of Issued RCPS

** 5% and above of Issued RCPS

DIRECTORS' INTEREST IN RCPS

Name of Directors	RCPS Shareholdings			
	Direct		Indirect	
	No. of RCPS	%	No. of RCPS	%
Tan Sri Dato' Sri Lim Hock San	-	-	158,000 ⁽¹⁾	0.17
Maj (Hon) Dato' Sri Lim Hock Sing	-	-	38,800 ⁽¹⁾	0.04
Dato' Sri Lim Hock Seong	-	-	20,750 ⁽¹⁾	0.02
Datuk Lim Si Cheng	23,800	0.03	-	-
Datuk Dr. Haji Baharum Bin Hj Mohamed	23,800	0.03	-	-

Notes:

(1) RCPS held by virtue of Section 59(11)(c) of the Companies Act, 2016.

Analysis of Preference Shareholdings (Cont'd)

As At 30 April 2021

LIST OF THE THIRTY (30) LARGEST RCPS HOLDERS

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

Holder Name	RCPS Held	Percentage (%)
1 AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (SWAP)	53,026,600	56.352
2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10,773,120	11.448
3 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	3,320,000	3.528
4 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,732,120	2.904
5 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	2,116,120	2.249
6 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	1,600,000	1.700
7 TEO TIN LUN	1,353,200	1.438
8 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	964,260	1.025
9 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YEM PHOI (J KUNING 2-CL)	908,300	0.965
10 TEO TIN LUN	869,300	0.924
11 CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	826,300	0.878
12 CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	817,580	0.869
13 NG HO FATT	734,800	0.781
14 YEAP CHOE HOON	576,000	0.612
15 CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	568,320	0.603



LIST OF THE THIRTY (30) LARGEST RCPS HOLDERS (CONT'D)

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder) (Cont'd)

Holder Name	RCPS Held	Percentage (%)
16 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F.TEMISLAMIC)	538,350	0.572
17 LIM KHUAN ENG	470,000	0.500
18 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	413,360	0.439
19 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SIN SANG (KUCHAI LAMA-CL)	340,000	0.361
20 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	335,391	0.356
21 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE2)	288,880	0.307
22 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	272,540	0.290
23 YEOH WAN CHIN	269,000	0.286
24 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	264,300	0.281
25 CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	261,980	0.278
26 PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	260,000	0.276
27 CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ASIA PACIFIC TOTAL RETURN FUND	255,620	0.272
28 PANG CHONG YEN	253,700	0.270
29 UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KENANGA ISLAMIC FUND	234,920	0.250
30 HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KIM CHAN	210,000	0.223
TOTAL	85,854,061	91.237

Notice of Twenty-First Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Company will be held on a fully virtual basis at the Broadcast Venue at Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 2.30 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes on Ordinary Business)**
2. To approve the payment of a Single-Tier First and Final Dividend of 1.45 sen per ordinary share for the financial year ended 31 December 2020. **Resolution 1**
3. To approve the payment of Directors' Fees of RM173,400 for the financial year ended 31 December 2020. **Resolution 2**
4. To approve the payment of Directors' Fees, allowances and benefits-in-kind to the Directors of the Company up to an amount of RM2.0 million, for the period from the conclusion of the 21st Annual General Meeting to the next Annual General Meeting in 2022. **Resolution 3**
5. To re-elect the following Directors who retire in accordance with Clause 100 of the Company's Constitution:-
 - i) Tan Sri Dato' Sri Lim Hock San, JP **Resolution 4**
 - ii) Datuk Lim Si Cheng **Resolution 5**
 - iii) Datuk Lim Tong Lee **Resolution 6**
6. To re-elect the following Directors who retire in accordance with Clause 106 of the Company's Constitution:-
 - i) Dato' Lim Han Boon **Resolution 7**
 - ii) Lim Kim Kiat **Resolution 8**
7. To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration. **Resolution 9**
8. As Special Business:
To consider and, if thought fit, to pass with or without any modifications, the following resolutions:-
 - (a) **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016

"THAT, subject always to the Companies Act, 2016 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 & 76 of the Companies Act, 2016, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."



(b) **ORDINARY RESOLUTION**

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBS BINA GROUP BERHAD ("LBS") AND ITS SUBSIDIARIES ("LBS GROUP") AND DIRECTORS AND MAJOR SHAREHOLDERS OF LBS GROUP AND PERSONS CONNECTED WITH THEM

Resolution 11

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Securities 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 Section 2.3 of the Circular to Shareholders dated 25 May 2021 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 the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act), 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:-

- (a) the type of transactions made; and
- (b) 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 25 May 2021 and/or this resolution."

(c) **ORDINARY RESOLUTION**

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 12

"THAT, subject always to the provisions under the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Securities 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 Securities 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").

Notice of Twenty-First Annual General Meeting (Cont'd)

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 Securities in accordance with the relevant rules of Bursa Securities;
- 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 2016, the provision of Listing Requirements and any other relevant authorities.

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 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; or
- 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.

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."

9. To consider any other business of which due notice shall have been given.



NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the Twenty-First Annual General Meeting, a Single-Tier First and Final Dividend of 1.45 sen per ordinary share in respect of the financial year ended 31 December 2020 will be paid on 22 September 2021 to depositors registered in the Record of Depositors on 27 August 2021.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 27 August 2021 in respect of transfers; and
- (b) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

LEE CHING CHING
CHOOY WAI NEE
Company Secretaries

Petaling Jaya, Selangor
25 May 2021

Notes:

- (1) The Twenty-First Annual General Meeting (21st AGM) of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") Facility.
- (2) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the AGM. NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES from the public shall be physically present at the Broadcast Venue on the day of the 21st AGM.
- (3) Shareholders of the Company are to attend, participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 21st AGM using RPV Facility provided by the Company's Share Registrar via TIIH Online website at <http://tiih.online>. Please follow the Procedures for RPV Facility provided in the Administrative Guide for the 21st AGM.
- (4) A shareholder of the Company who is entitled to attend, participate, speak and vote at the 21st AGM via RPV Facility, may appoint more than 1 proxy to attend and vote instead of the shareholder at the 21st AGM. A proxy may but need not be a shareholder.
- (5) If a shareholder has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facility, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 21st AGM.
- (6) A shareholder who has appointed a proxy or attorney or authorised representative to participate at the 21st AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <http://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the 21st AGM.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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 AGM or adjourned AGM at which the person named in the appointment proposes to vote:

Notice of Twenty-First Annual General Meeting (Cont'd)

(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.

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tiah.online> and steps to submit are summarised in the Administrative Guide for the 21st AGM.

- 11) 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., 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.
- 12) 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.
- 13) 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.
- 14) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Wednesday, 16 June 2021.
- 15) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice of 21st AGM will be put to vote by way of poll.

Explanatory Notes on Ordinary Business

(1) Item 1 of the Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(2) Ordinary Resolution 3

The Proposed Directors' Fees, allowances and benefits-in-kind including payments such as meeting allowance, share based benefits, medical and insurance coverage, telecommunication devices, allowance/fee from certain subsidiaries in respect of the significant roles in oversight and the wide-ranging scope of responsibilities.

In determining the estimated total amount payable, the Board considered various factors including the Directors' involvement and responsibilities in the Group. Payment of the fees, allowances and benefits-in-kind will be made in arrear on a monthly basis and/or as and when incurred, if the Ordinary Resolution 3 has been passed. The Board is of the view that it is just and equitable for the Directors to be paid such fees, allowances and benefits-in-kind on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Group throughout the period from the conclusion of the 21st Annual General Meeting to the next Annual General Meeting in 2022.

(3) Ordinary Resolutions 4 to 6

Tan Sri Dato' Sri Lim Hock San, JP, Datuk Lim Si Cheng and Datuk Lim Tong Lee are standing for re-election as Directors in accordance with Clause 100 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 21st AGM.

The Board of Directors has through the Nomination and Remuneration Committee considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities.



(4) Ordinary Resolutions 7 to 8

Dato' Lim Han Boon and Mr Lim Kim Kiat are standing for re-election as Directors in accordance with Clause 106 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 21st AGM.

The Board of Directors has through the Nomination and Remuneration Committee considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities.

(5) Ordinary Resolutions 9

The Board has through the Audit Committee, considered the re-appointment of Messrs. UHY as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 21st AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2020.

Explanatory Notes on Special Business

(1) Ordinary Resolution 10

The Ordinary Resolution proposed under Resolution 10 above for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

As at the date of this Notice, no new share of the Company was issued pursuant to the mandate granted to the Directors at the Twentieth Annual General Meeting held on 27 July 2020.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital and/or acquisition.

(2) Ordinary Resolution 11

Ordinary Resolution 11, 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 Circular to Shareholders dated 25 May 2021 of the Company.

(3) Ordinary Resolution 12

Ordinary Resolution 12, 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 Circular to Shareholders dated 25 May 2021 of the Company.

Privacy Notice

Dear Sirs/Madams,

This privacy notice for personal data ("**Privacy Notice**") is issued to all shareholders of LBS Bina Group Berhad ("**Company**", "**we**", "**us**" or "**our**"), pursuant to the statutory requirements of the Personal Data Protection Act 2010 ("**PDPA**").

During your course of dealings with us, we will collect and process your personal data for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations (including monitor and where necessary make disclosure of matters relating to your involvement in any shares, debentures, participatory interests, rights, options, transactions and contracts) and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as "**Purposes**").

We will not disclose any of your personal data to any third party without your consent except to the Company's group of companies (including the Company's subsidiaries, related and/or associated companies), our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at <http://www.lbs.com.my/>.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Personal Data Protection Officer

Address : LBS Bina Group Berhad, Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya,
Selangor Darul Ehsan

Contact No. : 03 - 78777333

Fax No. : 03 - 78777111

Email Address : pdpa@lbs.com.my



Privacy Notice (Cont'd)

By providing your personal data to us, you consent to us processing your personal data in accordance with this Privacy Notice, and you confirm that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data. You shall also procure the consent of your proxy appointed to attend any general meeting of the Company on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

To the extent that you have provided (or will provide) personal data about your family members, spouse and/or other dependents/ individuals, you confirm that you have explained to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. We will notify you of any amendments to this Privacy Notice or our Privacy Policy via announcements on our website or other appropriate means. If we amend this Privacy Notice or our Privacy Policy, the amendment will only apply to personal data collected after we have posted the revised Privacy Notice or Privacy Policy.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

Notis Privasi

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini ("**Notis Privasi**") diberikan kepada semua pemegang saham LBS Bina Group Berhad ("**Syarikat**", "**kita**" atau "**kami**"), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 ("**PDPA**").

Sepanjang masa urusan anda dengan kami, kami akan mengumpul dan memproses data peribadi anda untuk tujuan berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan (termasuk memantau dan membuat pendedahan tentang perkaraperkara yang berkaitan dengan penglibatan anda dalam apa-apa saham, debentur, kepentingan penyertaan, hak, opsi, urusan niaga dan kontrak), serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai "**Tujuan-Tujuan**").

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada syarikat-syarikat di dalam kumpulan Syarikat (termasuk subsidiari, syarikat berkaitan dan/atau syarikat bersekutu kami), penasihat profesional, ejen, vendor, pembekal, kontraktor, pembekal perkhidmatan, rakan kongsi perniagaan, syarikat insurans, bank dan institusi kewangan, agensi kerajaan, pihak berkuasa dan/atau badan berkanun, di dalam atau di luar Malaysia, jikalau perlu, bagi Tujuan-Tujuan yang disebut di atas, kepada mana-mana pihak yang berjanji untuk menyimpan data peribadi anda secara sulit, kepada mana-mana pihak sepertimana yang tertera dalam Polisi Privasi kami, atau sekiranya diperlukan di bawah undang-undang. Sesalinan Polisi Privasi kami boleh didapati di laman web kami di <http://www.lbs.com.my/>.

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbetulkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemprosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimana pun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

Permintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

Pegawai Perlindungan Data Peribadi

Alamat : LBS Bina Group Berhad, Plaza Seri Setia, Level 1-4,
No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
No. Telefon : 03 - 78777333
No. Faks : 03 - 78777111
Alamat E-mel: pdpa@lbs.com.my



Notis Privasi (Cont'd)

Dengan memberikan data peribadi anda kepada kami, anda bersetuju untuk kami memproses data peribadi anda sepertimana yang tertera dalam Notis Privasi ini, dan anda mengesahkan bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung Syarikat bagi pihak anda, sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Berkenaan dengan individu yang belum mencapai usia dewasa (iaitu individu di bawah umur 18 tahun) atau individu yang tidak mempunyai kompeten untuk memberi persetujuan, anda mengesahkan bahawa anda ialah ibu bapa atau penjaga atau orang yang mempunyai kewajipan terhadap mereka atau orang yang dilantik oleh mahkamah untuk menguruskan urusan mereka atau mereka telah melantik anda untuk mewakili mereka, untuk memberi persetujuan bagi pihak mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan melalui pengumuman di laman web kami atau melalui cara yang bersesuaian. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu hanya akan berkuat-kuasa untuk data peribadi yang dikumpul selepas kami memaparkan Notis Privasi atau Polisi Privasi kami yang terpinda.

Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunapakai.

This page is intentionally left blank.

Form of Proxy

I/We _____ NRIC No. / Company No. _____

of _____

being a member/members of LBS BINA GROUP BERHAD, hereby appoint:-

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held on a fully virtual basis at the Broadcast Venue at Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 June 2021 at 2.30 p.m. or at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____ 2021

No. of Shares Held	
CDS Account No.	

Signature/ Common Seal of Shareholder(s)

NOTES:

- The Twenty-First Annual General Meeting (21st AGM) of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") Facility.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the AGM. NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES from the public shall be physically present at the Broadcast Venue on the day of the 21st AGM.
- Members of the Company are to attend, participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 21st AGM using RPV Facility provided by the Company's Share Registrar via TIH Online website at <https://tjh.online>. Please follow the Procedures for RPV Facility provided in the Administrative Guide for the 21st AGM.
- A member of the Company who is entitled to attend, participate, speak and vote at the 21st AGM via RPV Facility, may appoint more than 1 proxy to attend and vote instead of the member at the 21st AGM. A proxy may but need not be a member.
- If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facility, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 21st AGM.
- A member who has appointed a proxy or attorney or authorised representative to participate at the 21st AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIH Online website at <https://tjh.online>. Procedures for RPV can be found in the Administrative Guide for the 21st AGM.
- 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.
- 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.
- 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.
- The Instrument appointing of a proxy may be made in a hard copy form or by 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 AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - 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.
 - By electronic form.
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tjh.online> and steps to submit are summarised in the Administrative Guide for the 21st AGM.
- For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., 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.
- The certificate of appointment of authorised representative should be executed in the following manner:
 - 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.
 - 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:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 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.
- The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Wednesday, 16 June 2021.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice of 21st AGM will be put to vote by way of poll.

FOLD HERE

STAMP

The Share Registrar

**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
(197101000970 (11324-H))**

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

FOLD HERE



LBS BINA GROUP BERHAD
Registration No. 200001015875 (518482-H)
Plaza Seri Setia, Level 1-4
No.1, Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T +603 7877 7333 F +603 7877 7111

www.lbs.com.my