



PATHWAY
TOWARDS A
**BETTER
SUSTAINABLE
FUTURE**

INTEGRATED
ANNUAL REPORT
2023

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INTEGRATED ANNUAL REPORT 2023

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PATHWAY TOWARDS A BETTER SUSTAINABLE FUTURE

This symbolises our on-going cycle of a sustainable business - an interconnection between our actions today and the legacy we leave for future generations. LBGB is guided by our steadfast commitment to sustainability, and in fostering a viable future for our business and the communities we serve.

Through the company's ethos: Believe. Become. Behold., the company seeks to fulfill the fullest potential of all stakeholders, from shareholders to customers. By embracing sustainable practices and adhering to ESG (Environmental, Social, and Governance) principles, we aim not only to thrive in the present, but also to create enduring value for generations to come.



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Form of Proxy

Abbreviation:

LBGB or the Group

LBS Bina Group Berhad and its subsidiaries

Note:

For the purposes of IAR2023, any mention of "Board of Directors" specifically refers to the Board of Directors of LBS Bina Group Berhad as the Company.



WWW.LBS.COM.MY



BELIEVE • BECOME • BEHOLD

TAGLINE

At LBGB, we believe in the infinite value-creating possibilities for society and the environment through property development. Our passion and purpose are etched in our corporate ethos of Believe. Become. Behold. This revolves around believing and embracing emerging possibilities, continuously evolving with market trends and becoming stronger in fulfilling our role as a creator of value. This ethos serves as the guiding principle for our actions, decisions, and aspirations as we strive to create lasting value and behold positive progress in the property industry.



CORPORATE VISION

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



CORPORATE MISSION

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

ABOUT THIS REPORT



INTRODUCTION

Consistent with the principles based framework of Integrated Reporting, LBGB publishes its Integrated Annual Report 2023 ("IAR2023") for financial year ended 31 December 2023 ("FY2023"). IAR2023 aims to present the strategic linkages and relationships between material Environmental, Social and Governance ("ESG") matters and LBGB's ability to sustain value creation over the short, medium and long-term perspectives.

BASIS OF PREPARATION

IAR2023 covers the Group's financial year of FY2023 which is from the period of 1 January 2023 to 31 December 2023. Where relevant and available, data is also presented for a period of 3 years on a rolling basis towards showcasing industry or performance trends. In determining content for inclusion in IAR2023, LBGB considered the following perspectives:



Adopting the Integrated Reporting framework as well as IFRS S1 and S2.



Disclosure requirements under the Integrated Reporting framework as well as other standards and frameworks such as the Bursa Sustainability Reporting Guide 3rd Edition, Global Reporting Initiative ("GRI") 2021, FTSE 4 Good Bursa Malaysia Index ("F4GBM") requirements, Sustainability Accounting Standards Board ("SASB") sector specific topics, and the Taskforce on Climate Related Financial Disclosures.



Identified gaps in IAR2022's reporting and development of necessary data collection and content strategies to drive desired improvements in reporting.



Information gleaned from the FY2022 IAR workshops as well as FY2023 Climate Change Risk Assessment and Scenario Planning Workshop.



Considerations on the requirements of key stakeholders such as regulators and investors pertaining to disclosures.

¹ IFRS S1 adopts a materiality perspective driven by matters significant to enterprise value creation, which complements existing material perspectives that focus on matters material to environmental and social impacts.

ABOUT THIS REPORT

Reporting contents were scoped to Group subsidiaries in which LBGB retains management control. Excluded are associates which the Group does not have management control of. For more information on the Group's organisational structure, please refer to the [Corporate Structure Section](#) ².

FULL REPORTING SUITE

Following is LBGB's full reporting suite for FY2023:



INTEGRATED ANNUAL REPORT 2023 ("IAR2023")

<https://lbs.com.my/annual-reports/>

IAR2023 aims to present the intricate relationships between financial and non-financial matters and the interplay between both as reflected through the concept of capitals or resources.

IAR2023 also provides disclosures on the Group's business model and business strategies, future orientation and strategic priorities.



SUSTAINABILITY REPORT 2023 ("SR2023")

<https://lbs.com.my/sustainability/>

SR2023 provides a comprehensive account of LBGB's ESG performance.

Disclosures delve into "impact materiality" matters as well as disclosures mandated by sustainability reporting frameworks, both local and international.

CORPORATE GOVERNANCE REPORT 2023 ("CGR2023")

<https://lbs.com.my/corporate-governance/>

CGR2023 provides information in relation to the practice of good corporate governance.

Disclosures are made in accordance to the stipulated practices/requirements of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), which focus on how LBGB has applied or departed from the stipulated practices of the MCCG 2021.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements discussing targets, future plans, operations, and performance of the Group. While every care and precaution has been taken to ensure that forward-looking statements are as accurate as possible, such statements may become inaccurate or irrelevant over time due to changes in the operating environment which are beyond the control of LBGB. Readers are advised to conduct their own due diligence and not rely solely on the forward-looking statements provided.

FEEDBACK

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

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of LBGB have applied its collective mind to present a balanced and comprehensive IAR2023 based on good governance practices and guided by the Integrated Reporting principles based framework. The Board also provides assurance that the financial statements audited by Messrs. UHY, were prepared in accordance to the relevant standards and frameworks, notably the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards ("IFRS").



Section 1

Group Corporate Profile

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ABOUT LBGB



LBGB is a Malaysian public-listed, investment holding company whose core business is in property development with a presence in the construction, hospitality, retail, and tourism sectors.

The Group's business model is mainly centred on being a township and community builder with a focus on providing affordable, quality housing. This is in keeping with the aspirations of the Group's founder, the late Dato' Seri Lim Bock Seng, who established LBS in 1961 as a construction company to undertake projects in the township of Petaling Jaya. Since its inception, LBGB has successfully delivered more than 50,000 homes.

In January 2002, consistent with the growth of the company, LBGB was listed on the Main Board of Bursa Malaysia Securities Berhad and continues to achieve various milestones of progress. The LBGB brand remains a trusted and well regarded name in the development of residential, commercial, as well as industrial and properties in Malaysia.

Through its subsidiaries, LBGB leverages Industrialised Building Systems (IBS) that enhances the ability to develop housing while enabling resource efficiency and reduced ESG impacts. LBGB continues to expand and evolve, diversifying its property portfolio towards ensuring long-term value creation for all stakeholders.



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

Together, they have expanded LBGB 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 LBGB's mission of consistently delivering exceptional performance through progressive creations that present value to all stakeholders, and enrich communities at large.

OUR BRAND PROMISE



EMPOWERING INDIVIDUALS ENHANCING COMMUNITIES

LBGB views our employees, homebuyers and the communities we create and serve, as part of the LBGB family and our stakeholders. We are committed to journeying with them - empowering them by creating value and providing opportunities. Our passion for our stakeholders is inspired by our brand promise of "Empowering Individuals, Enhancing Communities", which centres on enabling our workforce, customers, and communities to thrive and unlock their fullest potential.

LBGB's 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 practice 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 sustainable manner.

LBGB AT A GLANCE

AS AT 17 APRIL 2024



DIVIDEND

2.70
SEN

PER ORDINARY SHARE*



BUILT
MORE THAN

51,000

HOMES



MORE THAN

1,000

EMPLOYEES



LAND BANK
MORE THAN

2,700
ACRES



REVENUE

RM1.83
BILLION

IN YEAR 2023



SALES

RM1.7
BILLION

IN YEAR 2023

* First interim single-tier dividend of 1.35 sen per ordinary share has been declared by the Board of Directors on 17 April 2024 and to be paid on 16 July 2024.

* Final single-tier dividend of 1.35 sen per ordinary share to be approved by the shareholders at the forthcoming 24th Annual General Meeting.



Please refer to the [Investor Relations section](#) on page 33 and the [Management Discussion and Analysis section](#) on pages 65 - 81 for more information on financial and business performance including dividends.

CORPORATE INFORMATION

AS AT 17 APRIL 2024

REGISTERED OFFICE & BUSINESS ADDRESS

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Plaza Seri Setia Level 1-4
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REGISTRAR

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Malaysia

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LBS Alam Perdana

Lot 4292
Persiaran Alam Perdana
42300 Kuala Selangor
Selangor Darul Ehsan
Malaysia

Hotline: 1700 81 8998

Bandar Saujana Putra

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Bandar Saujana Putra
42610 Jenjarom
Selangor Darul Ehsan
Malaysia

Hotline: 1700 81 8998

D' Island Residence

No. 2A Jalan Timur 9
D' Island Residence
47130 Puchong
Selangor Darul Ehsan
Malaysia

Hotline: 1700 81 8998

Prestige Residence

C-UG-2 & C-1-2 to C-UG-6 & C-1-6
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Bandar Putra Permai
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Selangor Darul Ehsan
Malaysia

Hotline: 1700 81 8998

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CORPORATE INFORMATION AS AT 17 APRIL 2024

Bayu Hills, Genting Highlands

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Malaysia

Hotline: 1700 81 8998

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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

Hong Leong Bank Berhad

HSBC Bank Malaysia Berhad

Industrial and Commercial Bank of
China (Malaysia) Berhad

Malayan Banking Berhad

Public Bank Berhad

RHB Bank Berhad

United Overseas Bank (Malaysia)
Berhad

STOCK EXCHANGE LISTING

Main Market,
Bursa Malaysia Securities Berhad
since 30 January 2002

Stock Code : 5789

Stock Name : LBS

Sector : Property



WEBSITE

www.lbs.com.my



CUSTOMER SERVICE

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



SOCIAL MEDIA



LBS Bina Group
Berhad



LBS Bina Group



LBS Bina Group



lbsbinagroup



lbsbinagroup



@lbsbina

CORPORATE STRUCTURE

AS AT 17 APRIL 2024



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

CORPORATE STRUCTURE AS AT 17 APRIL 2024



OUR PORTFOLIO

PROPERTY



artist impression



artist impression



DENGKIL, SELANGOR

KITA @ Cybersouth is a gated and guarded, affordable, family-centric development that sits on 633 acres of Malay Reserve land in the mature township of Dengkil. With an estimated Gross Development Value ("GDV") of RM6.8 billion, the gated and guarded development is a fast-growing, bustling development that is strategically located within close proximity to Putrajaya, Cyberjaya and Kuala Lumpur International Airport ("KLIA").

The township's design and architecture draws inspiration from traditional Malay culture and is masterplanned to meet modern urban living needs, catering to different market segments. The township's many development phases comprise terrace homes, townhouses, serviced apartments and shop lots, with each phase seeing strong market traction.

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



BANDAR PUNCAK ALAM, SELANGOR

LBS Alam Perdana, a premier township spanning 469.8 acres in Kuala Selangor, boasts a significant GDV of RM4.66 billion. Designed for community cohesion, the development features recreational gardens, gated communities, educational facilities, communal centers, and an upcoming industrial hub.

Comprising five distinct neighborhoods - Irama Perdana, Melodi Perdana, Rentak Perdana, Ritma Perdana, and Simfoni Perdana - LBS Alam Perdana offers a diverse range of housing options. These include terrace houses, semi-detached dwellings, townhouses, apartments, commercial plots, Perumahan Penjawat Awam Malaysia ("PPAM") housing, and Rumah Idaman MBI.

LBS Alam Perdana ensures easy accessibility via major expressways such as the Guthrie Corridor Expressway, KL-Kuala Selangor Expressway ("LATAR"), Damansara-Shah Alam Expressway ("DASH"), New Klang Valley Expressway ("NKVE"), Persiaran Mokhtar Dahari, and Jalan Kuala Selangor as aligned with our corporate principles of affordability, connectivity, and community engagement.

The Alam Perdana Central Hub serves as an industrial focal point, offering a range of factory options such as Alam Perdana Central Hub products such as, Low Cost Factory, Terrace Factory, Semi Detached Factory, and Detached Factory, poised to drive economic growth and enrich the commercial landscape of the region.

OUR PORTFOLIO

PROPERTY



artist impression



artist impression

BSP

SELANGOR

Bandar Saujana Putra (BSP), launched in 2003 with a remarkable GDV of RM7.68 billion, represents one of our flagship award-winning townships, maturing into a fully integrated, self-contained community across 850 acres of land. Strategically situated between USJ, Putrajaya, Cyberjaya, and Shah Alam, BSP enjoys seamless connectivity via major expressways such as MEX, ELITE, SKVE, and LDP.

BSP caters to approximately 40,000 residents, comprising serviced residences, landed homes, commercial units, and affordable homes under the Rumah Idaman scheme that offer a serene suburban atmosphere coupled with access to a wide array of amenities while maintaining proximity to the heart of the Klang Valley.

BSP expands its footprint with future developments including forthcoming high-rise residential projects and additional landed residential offerings. BSP has transcended its role as a mere township to become a reputable brand, symbolising the essence of affordable, self-sustaining community living at its pinnacle.

D'ISLAND Residence

PUCHONG, SELANGOR

D' Island Residence is an island resort-themed development that was unveiled in 2011 with an impressive GDV of RM2.48 billion. It delivers a unique blend of luxury residences and an upcoming commercial centre adjacent to a tranquil 1,000-acre lake in Puchong. Spanning 175 acres, the development includes bungalow lots, semi-detached homes, super link houses, double-storey terrace homes, condominiums, serviced apartments, and commercial centres.

Conveniently connected via a network of highways and expressways such as SKVE, LDP, KESAS, ELITE, and MEX, this distinctive development is easily accessible from Puchong town center, Putrajaya, Cyberjaya, and Seri Kembangan, situated approximately 30 km southwest of Kuala Lumpur City Centre.

With plans for expansion, the township is poised to introduce more landed homes, high-rise residential towers, and commercial establishments. Embracing sustainability, innovative features like rainwater harvesting, LED lighting, and low-flow fixtures are integrated into the development's design.

Residents of these prestigious homes enjoy close proximity to essential amenities including schools, hospitals, shopping centres, and major highways, ensuring a convenient and comfortable lifestyle.

OUR PORTFOLIO

PROPERTY



artist impression



artist impression

PRESTIGE -RESIDENCE-

SERI KEMBANGAN, SELANGOR

With a GDV of RM617 million, Prestige Residence is nestled in the esteemed area of Seri Kembangan, featuring two 29-storey towers of serviced apartments within this established township.

Strategically situated, Prestige Residence enjoys close proximity to schools, malls, expressways, and the Ayer Hitam Forest Reserve, offering excellent accessibility and connectivity to essential amenities.

This safely-guarded serviced apartment complex comes with 40 different facilities, complemented by lush greenery, catering to sports, community bonding, wellness, and relaxation, providing a comfortable sanctuary for residents.

Prestige Residence offers three types of layouts ranging from 600 to 850 sq ft, appealing to singles and small families seeking their first home. It attracts young professionals and small families eager to settle down and establish their residential foothold.



IDAMAN SOLUSI PEMILIKAN KEDIAMAN TERUNGGUL

IDAMAN

LBGB spearheads the 'Rumah Idaman MBI' affordable homeownership initiative, in collaboration with the Selangor State Government that was introduced by the Menteri Besar Selangor Incorporated ("MBI") in 2019.

The high-rise homes under this program boast a generous built-up area of 1,000 square feet, comprising 3 bedrooms and 2 bathrooms, priced at RM250,000. Designed for modern living, each 'Rumah Idaman' prioritises comfort and efficient space utilisation, featuring family-centric facilities such as multi-purpose halls, playgrounds, basketball, and takraw courts. Every unit is equipped with two parking bays, along with essential amenities including a television set, TV cabinet, refrigerator, kitchen cabinet, air conditioners, water heaters, and wardrobes.

The initiative aims to complete 7,416 units across 5 key strategic locations in Selangor, with a total GDV of RM2.1 billion. These localities include Shah Alam (Idaman Cahaya), Bandar Saujana Putra (Idaman BSP), Dengkil (Idaman Melur and Idaman KITA), Puncak Alam (Idaman Perdana), and Puchong (Idaman Sari).

OUR PORTFOLIO

PROPERTY



BRINCHANG, CAMERON HIGHLANDS

With a substantial GDV of RM1.31 billion, Cameron Centrum has redefined Brinchang by establishing a new town within this highland retreat. Situated in Brinchang, the highest and second-largest township in Cameron Highlands, Pahang, it features a blend of residential, commercial, hotel, and retail facilities characterised by English Tudor-style architecture. Cameron Centrum is witnessing the expansion of its business community, with administrative offices sprouting up, attracting a burgeoning consumer base.

Launched in 2017, Precinct 1 is the cornerstone of Cameron Centrum, presenting 58 units of shop offices and a hotel. Settled within landscaped streets and a modern sheltered boulevard, it provides visitors with a unique shopping and dining experience amidst the refreshing highlands air.

Cameron Centrum stands as a major attraction in its own right, poised to elevate the tourist hub to unprecedented levels of excitement. Drawing both local and international visitors, its allure extends beyond the cool climate and natural attractions, promising an unparalleled experience for all who visit.



GENTING HIGHLANDS, PAHANG

With a substantial GDV of RM7.6 billion, Rimbawan township showcases its strategic location at Gohtong Jaya and near Genting Highlands. It is designed as an eco-conscious project, focusing on sustainability for future generations.

Situated 780 meters above sea level, Rimbawan covers a combination of landed and high-rise residences, commercial lots, and bungalow lots, along with community spaces that reflect environmentally friendly living. The township spans 310 acres, with more than 55 acres dedicated to ecotourism, more than 11 acres of riverways, and more than 8 acres of parks.

Guided by LBG's commitment to progress and preservation, Rimbawan incorporates eco-friendly practices such as the Miyawaki method for native plant growth, permeable pathways for rain absorption, and sponge city features for flood prevention.

Residents of Rimbawan enjoy a serene retreat amidst nature, reflecting a harmonious balance between development and environmental conservation.

OUR PORTFOLIO

PROPERTY



artist impression



artist impression

云顶雅苑 BAYU HILLS ©GENTING BY LBS

GENTING HIGHLANDS, PAHANG

Bayu Hills Serviced Apartment has a GDV of RM452 million and is nestled amidst majestic hills, offering a breathtaking natural setting. It offers a sanctuary for those seeking to reconnect with nature and indulge in a lifestyle of ease and comfort.

As the newest pinnacle of elegance in Genting Highlands, it is conveniently surrounded by premier retail, entertainment, and leisure facilities. Adjacent to Genting Highlands Premium Outlets, Gohtong Jaya, Awana Genting Golf Course, and Genting Highlands itself, residents are treated to a plethora of experiences. The vibrant city of Kuala Lumpur is also easily accessible.

Bayu Hills' landscape and facilities are precisely crafted based on the concept of "Wind & Breeze", ensuring residents can enjoy fresh air while they engage in recreational activities. Each amenity is thoughtfully curated to offer a variety of experiences, inviting residents to uncover new adventures. From community spaces to leisure facilities, Bayu Hills promises boundless opportunities for indulgence, where every corner is designed to transport residents to a world of relaxation.

BANDAR PUTERA INDAH 皇子城

BATU PAHAT, JOHOR

Launched in 2002 with a substantial GDV of RM920 million, this 1,288-acre freehold integrated township in Johor features over 11,000 units of residential and commercial properties of which 3,607 units have been successfully handed over to purchasers.

Situated within the southern region of Batu Pahat, Bandar Putera Indah represents LBGB's major development in Johor. Its location adjacent to Johor's major towns of Muar and Yong Peng places it within the growth corridor of KL-JB-Iskandar-Singapore, positioning it for future development. Various amenities such as mini markets and eateries are easily accessible within the vicinity.

The single-storey terrace homes in Magma Garden and Emerald Garden 2, as well as double-storey terrace homes in Ivory Garden and Ivory Garden 2, and double-storey semi-detached houses in Royal Garden, have all been sold out due to their attractive pricing.

OUR PORTFOLIO

PROPERTY



artist impression



artist impression

Taman Kinding flora

CHEMOR, PERAK

With a GDV of RM210 million, Taman Kinding Flora is located in Tanah Hitam, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan. Launched in April 2019, this development comprises 789 units of affordable single-storey cluster houses, single-storey terraced houses, bungalow lots, and shops, catering to the needs of middle-income homebuyers.

Situated in a well-connected area, Taman Kinding Flora is conveniently served by a hypermarket, hospital, schools, and clinics. It is positioned north of Ipoh, the capital city of Perak, renowned for its culinary delights and natural limestone hills, caves, and cave temples. Additionally, Tanjung Rambutan, Klebang Ria, and Aman Jaya are effortlessly reachable from this location.

taman kampar puteri

KAMPAR, PERAK

The Taman Kampar Puteri project is set to launch in 2024 in Kampar, Perak and will have a GDV of RM287 million. It will include 940 units, consisting of double-storey terrace houses and bungalow lots.

Taman Kampar Puteri delivers convenient access to Bandar Ipoh and the North-South Expressway, making it suitably located near Kolej TAR, University TAR, UTAR Hospital, dining options, the Main Bus Terminal, and other essential facilities in Kampar New Town.

Designed for low and middle-income homebuyers, Taman Kampar Puteri offers spacious residences in a peaceful environment, catering to those seeking tranquillity in their living space.

OUR PORTFOLIO

RETAIL MALL



TAMAN MELATI, KUALA LUMPUR

Located in Taman Melati, Selangor, M3 Mall has a gross built-up area of 590,000 sqft and 200,000 sqft of nett lettable area. Featuring 107 shoplots, M3 Mall serves the community of the rapidly developing residential locale of Taman Melati as well as the larger populations of surrounding Gombak and Ampang.

With a potential population catchment of 1 million shoppers and consumers, M3 Mall is strategically placed amidst a vibrant and dynamic location and continues to see an improvement in footfall.

MOTOR RACING CIRCUIT



GUANGDONG, CHINA

Zhuhai International Circuit ("ZIC") is a joint venture project between LBGB and local partner, Zhuhai Jiuzhou Group Holdings Limited, the investment arm of the government of Zhuhai city. Completed in 1996, ZIC is China's first racing circuit and is the first permanent 4.3 km Grade 2 circuit recognised by the FIA (International Motor Sports Federation).

The circuit has hosted leading domestic and international racing competitions such as BPR Global GT Series, FIA GT Championship, A1 Grand Prix, Intercontinental Le Mans Cup, Asia Le Mans Series, and more.

In recent years, ZIC has expanded its business operations to include consultancy services in relation to new circuit management and racing championship management. Specific expertise offered include consultancy services on circuit design, circuit homologation, business model advisory, and matters regarding operations manual and staff training.

In 2023, a new automotive event IP, Festival of Wheels (F.O.W), was created by ZIC in response to changes in market trends and consumer behavior post the COVID-19 pandemic. F.O.W. successfully attracted more than 30,000 spectators with its exciting line-up of activities including motorsport races, cycling competitions, track parades, classic and modified cars exhibitions, food & beverage festivals, camping, and stage performances.

OUR PORTFOLIO

TOURISM



SCAPES

HOTEL | GENTING HIGHLANDS

GENTING HIGHLANDS, PAHANG

Project 4-star hotel

Rooms 176

Facilities Gym
Swimming pool
All-day dining restaurant
Poolside café
Sports bar
Ballroom & meeting rooms
Shuttle service

LBGB's 4-star, 176-room SCAPES Hotel represents the Group's diversification into the high-potential hospitality sector and is part of the Group's strategy to own and operate recurring income assets. Nestled in the picturesque enclave of Genting Highlands, SCAPES Hotel caters to discerning travelers seeking affordable luxury, exceptional service, and convenient access to the region's renowned attractions.

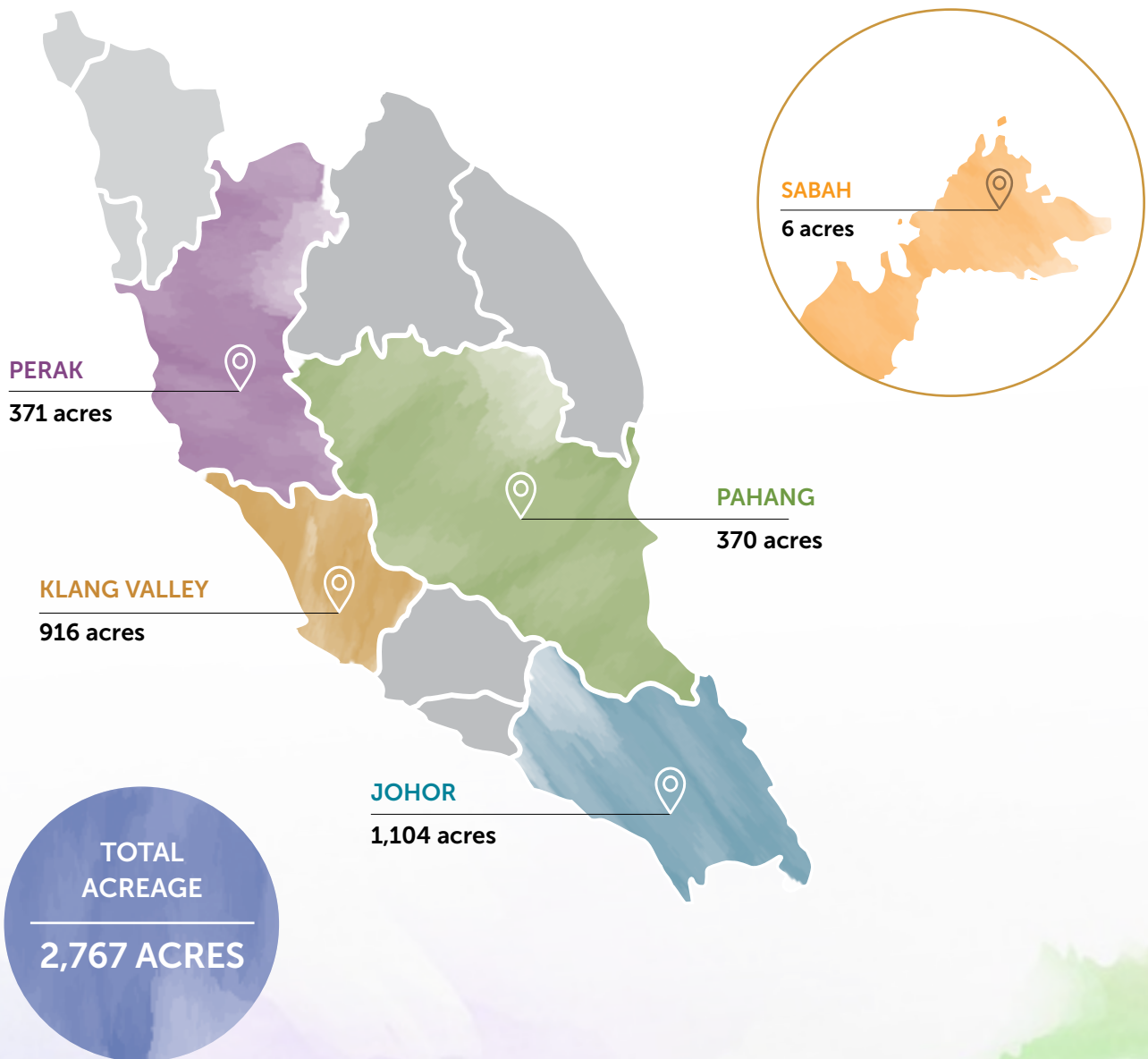
With its panoramic views of the verdant countryside, SCAPES Hotel offers guests a serene retreat amidst the bustling holiday destination. This strategic foray into hospitality not only aligns with our expansion goals but also underscores our dedication to meeting evolving consumer needs while capitalizing on emerging market opportunities.

LANDBANKING

As in previous years, LBGB continues to focus on replenishing and expanding its landbank. The Group presently holds sufficient land to meet its launch plans but shall continue to acquire strategic land parcels. Targeted areas include locations where the Group has established its presence, as well as new high-potential property epicentres.

FUTURE DEVELOPMENT LANDBANK

Remaining landbank as at 31 December 2023



EVENT HIGHLIGHTS

LBGB

JANUARY

4 JANUARY 2023

LBS Home Makeover with Goodnite Campaign

LBGB homeowners stand an opportunity to win Goodnite home makeover worth RM150,000.



10 JANUARY 2023

Media Briefing 2023

LBGB closed off 2022 with RM2.0 billion in property sales, surpassing their 2022 property sales target of RM1.6 billion by 25%.



13 JANUARY 2023

LBS Townhall 2023

With theme (Tu) Possibilities & Beyond, which depicts the eagerness to pursue growth and adopt new strategies in expanding LBGB.

13 JANUARY 2023

MGB Berhad inks MoU with SANY Alameriah

MGB Berhad entered into a MoU with SANY Alameriah For Construction Co. Ltd. to design and build properties, with project value of approximately RM2.9 billion in Saudi Arabia.



EVENT HIGHLIGHTS

LBGB

FEBRUARY

14 FEBRUARY 2023

Chinese New Year Dinner with Yang di-Pertuan Agong

LBS Chinese New Year Dinner 2023 was graced by His Majesty, DYMM Seri Paduka Baginda The Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah and accompanied by DYMM Seri Paduka Baginda The Raja Permaisuri Agong.



MARCH

4 MARCH 2023

The YDP Agong Graces Groundbreaking Ceremony for IPD Surau in Cameron Highlands

LBGB marked a significant milestone with the groundbreaking ceremony for a new surau in Cameron Highlands. Attended by DYMM Seri Paduka Baginda Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, this initiative highlights our commitment to community development and corporate social responsibility.



15 MARCH 2023

REHDA 50th Anniversary Dinner

Executive Director of LBGB, Dato' Cynthia Lim received the Appreciation Plaque from Minister of Local Government Development, Tuan YB Nga Kor Ming at the REHDA 50th Anniversary Dinner.



EVENT HIGHLIGHTS

LBGB

17 MARCH 2023

LBS Green Mission

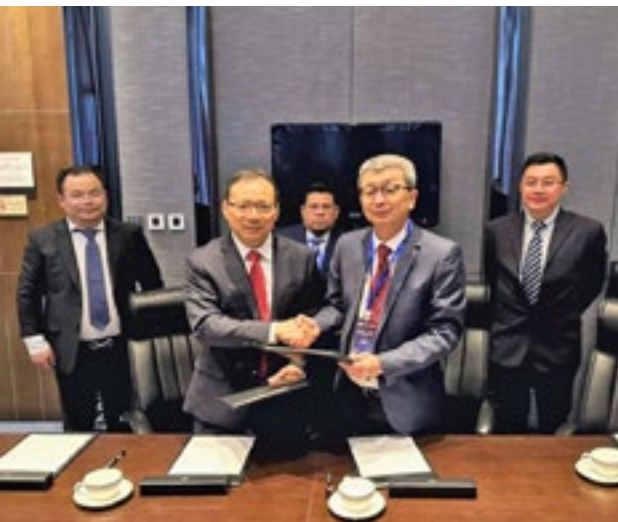
LBGB is taking a significant step towards greater sustainability practices with the official launch of the LBS Green Mission.



1 APRIL 2023

LBGB Inks RM11 Bil MoU with SANY Group

To explore development of properties, research and plan for an intelligent deep-water port in Malacca, and build a One-Stop Industrial 4.0 Hub Port in the Malacca Waterfront Economic Zone (M-WEZ).



APRIL

1 APRIL 2023

Launch of 'Rezeki Ekstra Dikongsi Kembali' Campaign

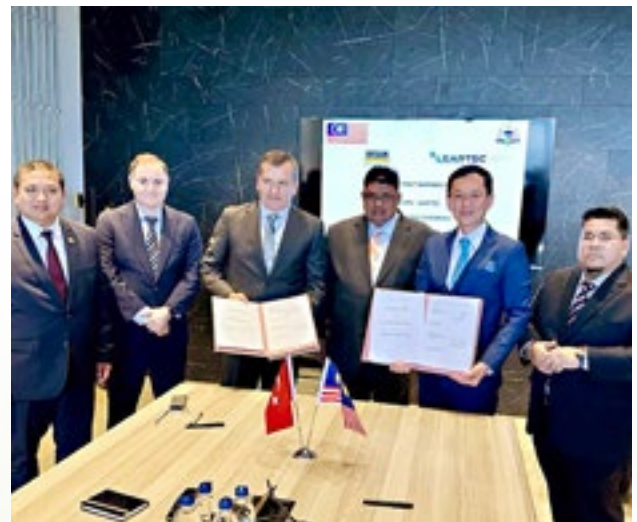
Offers homebuyers a chance to win 'Duit Raya' worth more than RM438,800.00 and enjoy bonus offerings upon purchasing their dream home.



14 APRIL 2023

Leaptec Engineering Sdn Bhd Inks MoU with Desan Deniz Ins. San. A.S.

Leaptec signed a Memorandum of Understanding (MoU) with Desan Deniz Ins. San. A.S. The MoU aimed to explore the development of a shipyard business in Tanjung Bruas, Melaka, with a project value exceeding RM2 billion. Signed in Istanbul, Turkey, this partnership highlighted Leaptec's commitment to maritime industry growth and innovation.



EVENT HIGHLIGHTS

LBGB

MAY

14 MAY 2023

Business Sharing Session with Fujian Government Delegation Graced by The Yang di-Pertuan Agong

To promote the attractiveness and viability of investing in Malaysia to Chinese investors.



18 MAY 2023

LBS Bags 8 Trophies at StarProperty Awards 2023

The 8 awards were:

1. The Government - Assisted Home Award (Central) - Idaman BSP.
2. The Starter Home Award (High - Rise) within Greater KL - Prestige Residence.
3. The Family - Friendly Award (High - Rise) within Greater KL - Melodi Perdana.
4. The Skyline Award - Residensi Bintang Bukit Jalil.
5. The Neighbourhood Award (500 - 2,000 acres) - KITA @ Cybersouth.
6. Most Preferred Developer.
7. Most Preferred Architectural Building - Cameron Centrum.
8. All-Stars Award.

20 MAY 2023

LBS Fabulous Extra 2022-2023 Campaign

LBGB hosted the 1st prize giving ceremony for the LBS Fabulous Extra 2022-2023 Lucky Draw campaign, with prizes worth more than RM400K given away.



EVENT HIGHLIGHTS

LBGB

JUNE

1 JUNE 2023



Leaptec Collaborative Partner, Desan Shipyard Unveils Innovative Technologies at Langkawi International Maritime and Aerospace Exhibition (LIMA) 2023

As one of the largest maritime and aerospace exhibitions in the Asia-Pacific region, LIMA 2023 provides an excellent platform for Desan to showcase its cutting-edge capabilities in SBSR.

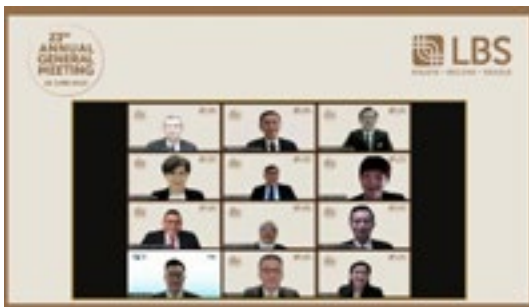
The collaboration between both organisations opens avenues for potential Ship-to-Ship (STS) activities in the Malacca Strait, further solidifying Leaptec's position as a key player in the maritime sector.

20 JUNE 2023

LBS 2023 AGM



All 13 ordinary resolutions presented during the AGM were passed by its shareholders, including the final single-tier dividend of 1.25 sen per ordinary share.



26 JUNE 2023

LBS Wins BCI Asia Top 10 Developers Award 2023



The BCI Asia Top 10 Developers Award underscores LBGB's outstanding contributions and impact within the Asian regional property sector. The accolade reflects the company's commitment to excellence and its continued track record in delivering high-quality developments across the region.

JULY

14 JULY 2023

LBS Recognised as One of Malaysia's Best Managed Companies for 2nd Consecutive Year by Global Consulting Firm, Deloitte

LBGB has been named one of Malaysia's Best Managed Companies 2023 by the prestigious global consulting firm Deloitte.



27 JULY 2023

MGB Signed Saudi JV Agreement

MGB has entered into a JV agreement with SANY Alameriah Industrial to design and build properties, with project value of approximately RM2.9 billion in Saudi Arabia.

28 JULY 2023

Groundbreaking Ceremony of Idaman Cahaya & Launching of Rumah Idaman Sari

The commencement of construction involved two projects, Rumah Idaman Cahaya and Rumah Idaman Sari, as part of the Rumah Idaman MBI venture. The projects are a joint initiative between MGB and PNSB Construction Sdn Bhd, a subsidiary of PNSB, which is under the supervision of Menteri Besar Selangor (Incorporated) (MBI).



EVENT HIGHLIGHTS

LBGB

AUGUST



25 AUGUST 2023

LBS Named Top 5 Developers at MDA 2023

LBGB is a winner at the Malaysia Developer Awards (MDA) 2023 for the Top Of The Charts (below RM1 billion category).

26 AUGUST 2023

LBGB Collaborates with 26 Partners for “LBS Perks & Plusses” Customer Loyalty Programme to Provide Unparalleled Rewards to Homebuyers

Through “LBS Perks and Plusses”, LBGB aims to revolutionise the home buying experience by providing unparalleled benefits and rewards to its valued customers. These rewards will extend beyond the initial purchase, ensuring that our customers feel valued at every step of their homeownership journey.



30 AUGUST 2023

Partnership with Watsons for 2nd Consecutive Year

In celebration of Watsons Club’s 13th anniversary, LBGB partnered with Watsons Malaysia to offer the grand prize of a new home - Prestige Residence, serviced apartment in Seri Kembangan.



SEPTEMBER

1 SEPTEMBER 2023

MGB Signs MoC with Prominent Italian Companies

MGB Berhad subsidiary, MGB International for Industry has entered into a memorandum of collaboration (MoC) with Nordimpianti System S.R.L. and MCT Italy S.R.L. to explore enhancement of efficiency in IBS precast concrete products.



EVENT HIGHLIGHTS

LBGB

OCTOBER

6 OCTOBER 2023

Strategic Partnership with MGTC

LBGB & MGB Berhad collaborates with the Malaysia Green Technology and Climate Change Corporation (MGTC), to drive Green Growth, Climate Change Mitigation, and Green Lifestyle.



23 OCTOBER 2023

MoU Tripartite Agreement

MGB Berhad announced the signing of an MoU with Almqr Development Co and Alameriah Real Estate Development Company to explore potential investment opportunities in Al Madinah Al Munawwarah, Saudi Arabia.



28 & 29 OCTOBER 2023

LBS Perks & PlusseS Mini Fest at Mercu Jalil, Bukit Jalil



The two-day event, joined by Mercu Jalil homebuyers and a total of 17 collaborative partners aimed to bring the community closer, showcasing the benefits of the customer loyalty program made exclusively for LBS homebuyers.

NOVEMBER



7 NOVEMBER 2023

LBGB and MGB Recognised at The Edge Malaysia ESG 2023 Awards

LBGB has won Silver in Most Improved Performance Over 3 Years award. Meanwhile, MGB Berhad has clinched the Silver award in the Construction category.

10 NOVEMBER 2023

Corporate Green Power Programme

LBGB secured a capacity of 28.67 megawatts (MW) via the Corporate Green Power Programme (CGPP) through a consortium comprising Setara Armada Sdn Bhd, MWG Power Sdn Bhd, and Ocean Solar Energy Sdn Bhd.

EVENT HIGHLIGHTS

LBGB

14 NOVEMBER 2023

Lodgement of Sukuk

LBGB had lodged a Sukuk Wakalah Programme of up to RM750.0 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar with the Securities Commission Malaysia ("SC") in accordance with the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.



18 NOVEMBER 2023

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San Awarded Honorary Doctorate

The Honorary Doctorate of Management by UNITAR International University was bestowed upon our Executive Chairman Tan Sri Lim in acknowledgment of his leadership and contributions to Malaysia-China bilateral relations.

DECEMBER

1 DECEMBER 2023

LBS Green Day Launch

LBGB recently launched the Recycling Hub at its HQ on Level 5, offering a convenient drop-off point for recyclables. This initiative underscores LBGB's dedication to sustainability by providing a dedicated facility for environmentally responsible disposal.



2 DECEMBER 2023

Watsons 'Win a New Home Today' by LBGB's Contest Finale

LBGB partnered with Watsons Malaysia, gifting a new home, a unit of the Prestige Residence serviced apartment, to the grand prize winner of Watsons Club's 13th anniversary 'Win a New Home Today by LBS' contest.



2 DECEMBER 2023

LBS Perks & Pluses Mini Festival at KITA Ria at KITA @ Cybersouth township

6 DECEMBER 2023

Recognised as One of Top 10 Developers at Graduates' Choice Award 2024 for 2nd Consecutive Year

LBS has been voted as the '2024 Graduates' Choice of Employers to Work For' in Graduates' Choice Award. This recognition is a testament to LBGB's commitment to providing an exceptional workplace for graduates.



EVENT HIGHLIGHTS

LBS FOUNDATION

JANUARY

6 JANUARY 2023

Donation to SJK (C) Taman Kinding & Village Chief

At the event organized by SJK (C) Taman Kinding in Perak, the LBS Foundation made a donation of RM6,000.00 to the Village Chief. This contribution will be utilised to enhance the school's main entrance.



6 JANUARY 2023

Donation to Hokkien Association

Donation for the 24th Hokkien Youth League National Secondary School Chinese debate & Miss Hokkien Cheongsam Charity Competition.

18 JANUARY 2023

Donation to OKU

Donation of furniture to the needy due to the unfortunate road accident.



18 JANUARY 2023

Donation to Shah Alam Schools

Donation of preloved furniture to two schools in Shah Alam, which will be used for studying and reading purposes.



27 JANUARY 2023

Chinese New Year Celebration at Sungai Way Old Folks Home

LBS Foundation presented care packages to Sungai Way Old Folks Home residence. LBS Foundation was represented by Puan Sri Karen Wang.



MARCH

21 MARCH 2023

Donation to Johor Flood Victims

LBS Foundation has donated essential items and basic needs to the victims in Johor that have been severely affected in the recent flood.



EVENT HIGHLIGHTS

LBS FOUNDATION

APRIL

3 APRIL 2023

Donation RM500,000 to Turkey and Syria Following Earthquakes

LBS Foundation contributed RM500,000 to the Ministry of Foreign Affairs' Calamity Fund (TBKLN) to assist with the ongoing relief efforts in Turkey and Syria.



7 APRIL 2023

Buka Puasa with Rumah Penyayang Darul Ilmi Gombak

Orphans from Rumah Penyayang Darul Ilmi attended a 'Buka Puasa' event at SCAPES Hotel, Genting Highlands jointly organised by LBS Foundation and SCAPES Hotel.



20 APRIL 2023

Batu Pahat Flood Donation

Donation made to our staff who were hit hardest by the disaster, which will help them to buy essential items and basic necessities.

MAY

25 MAY 2023

Hari Raya Donation

Donation to Majlis Anak-anak Klef 'Gift of Smile' co-organised by Ronald McDonald House Charities Malaysia and Smile with Nora in conjunction with Hari Raya Aidilfitri celebration.



29 MAY 2023

Donation to Parents-Teachers Association of SK Bukit Rimau

Donation to the Parents-Teachers Association of Sekolah Kebangsaan Bukit Rimau, to purchase student lockers and renovate the school's restrooms.



EVENT HIGHLIGHTS

LBS FOUNDATION

JUNE

6 JUNE 2023

Donation to Parents-Teachers Association of SRJK (C) Changkat Kinding

The purpose of this donation is to support the refurbishment of the school furniture.



8 JUNE 2023

Donation to Persatuan Hin Ann Klang



24 JUNE 2023

Gotong-Royong Perdana Event with PJ Lestari

The community of Pangsapuri Taman Desa Ria Fasa 1 came together for a remarkable *gotong-royong* event, to foster community unity and raise awareness about environmental preservation.



JULY

25 JULY 2023

Sponsorship to 40th Kiwanis Treasure Hunt

LBS Foundation proudly continues its 6-year support as the Gold Sponsor for the Kiwanis Treasure Hunt, benefiting Hospis Malaysia. This charitable organization offers professional community palliative care to individuals with life-limiting illnesses.



25 JULY 2023

Donation to the Malacca Hokkien Huay Kuan

Donation to the Malacca Hokkien Huay Kuan. The funds will mostly be utilised for the Clan Association building maintenance.



SEPTEMBER

12 SEPTEMBER 2023

Gotong-Royong Madani at SJK (C) Yuk Chai

Inspired by the Ministry of Education, the LBS Foundation volunteered for the 'Gotong-Royong Madani' at SJK (C) Yuk Chai, PJ.



AWARDS



1
STARPROPERTY AWARDS 2023
 The Government - Assisted Home Award (Central) – Idaman BSP (Excellence)
 The Starter Home Award (High - Rise) within Greater KL – Prestige Residence (Honours)
 The Family - Friendly Award (High - Rise) within Greater KL – Melodi Perdana (Merit)
 The Skyline Award - Residensi Bintang Bukit Jalil (Merit)
 The Neighbourhood Award (500 - 2,000 acres) – KITA @ Cybersouth (Merit)
 Most Preferred Developer
 Most Preferred Architectural Building – Cameron Centrum
 All-Stars Award

2
BCI ASIA AWARDS
 Asia Top 10 Developer Awards 2023

3
MALAYSIA'S BEST MANAGED COMPANIES 2023 BY DELOITTE PRIVATE
 Malaysia's Best Managed Companies for 2nd Consecutive Year

4
GRADUATES' CHOICE AWARD
 2024 Graduates' Choice of Employers to Work For

5
MALAYSIA DEVELOPER AWARDS (MDA)
 Top of the Chart (below RM1 billion category) – Top 5

6
THE EDGE MALAYSIA CENTURION CLUB AWARDS 2023
 Highest Growth in Profit After Tax over three years in Property Sector

7
PROPERTYGURU ASIA AWARDS MALAYSIA WITH IPROPERTY 2023

- Special Recognition for CSR
- Special Recognition in ESG
- Special Recognition in Sustainable Design & Construction
- People's Choice Award

8
THE EDGE MALAYSIA ESG AWARDS 2023

- LBGB - Silver for Market Capitalization, between RM300mil to RM800 mil in The Most Improved Performance Over 3 Years category
- MGB - Silver award in Construction category

9
THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2023
 LBGB - Top 30 Property Developers in TEPEA 2023

INVESTOR RELATIONS

The purpose of investor relations is to ensure a true and fair representation of the Group, in terms of its business and operational performance as well as outlook and prospects, including intended strategies to sustain value creation.

In 2023, investor relations activities were driven by mandatory engagement as prescribed by Bursa Malaysia and other regulatory bodies; as well as voluntary engagement undertaken, or led by the Group's Investor Relations unit. These include mandatory quarterly announcements of financial results, mandatory announcements of material information such as changes in Board or Senior Management personnel, changes in equity ownership, and others. Information is also made readily available on the Group's website in a dedicated Investor Relations section.

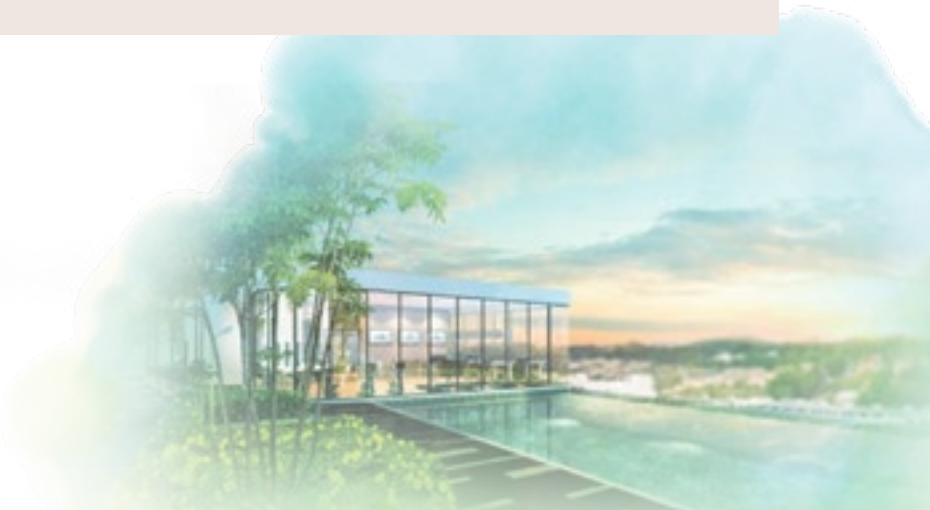
Continued efforts in communicating LBGB's business performance and prospects has culminated in a positive perspective being developed of the Group. In 2023, LBGB received several "buy" and "outperform" calls from investor analysts and research houses, attesting to the strong market confidence for the Group going forward.

As mandated by the Main Market Listing Requirements, LBGB's past annual general meeting ("AGM") was held on 20 June 2023. The meeting was held in virtual format.

All attendees were provided information packs detailing AGM agenda and proposed resolutions, and supporting information such as corporate presentations, financial information and more. The Chairman of the AGM encouraged all shareholders to take the opportunity to pose questions on all proposed resolutions and to query the Board and Senior Management in attendance on any company matters.

The following is a snapshot of the various investor relations activities undertaken in FY2023:

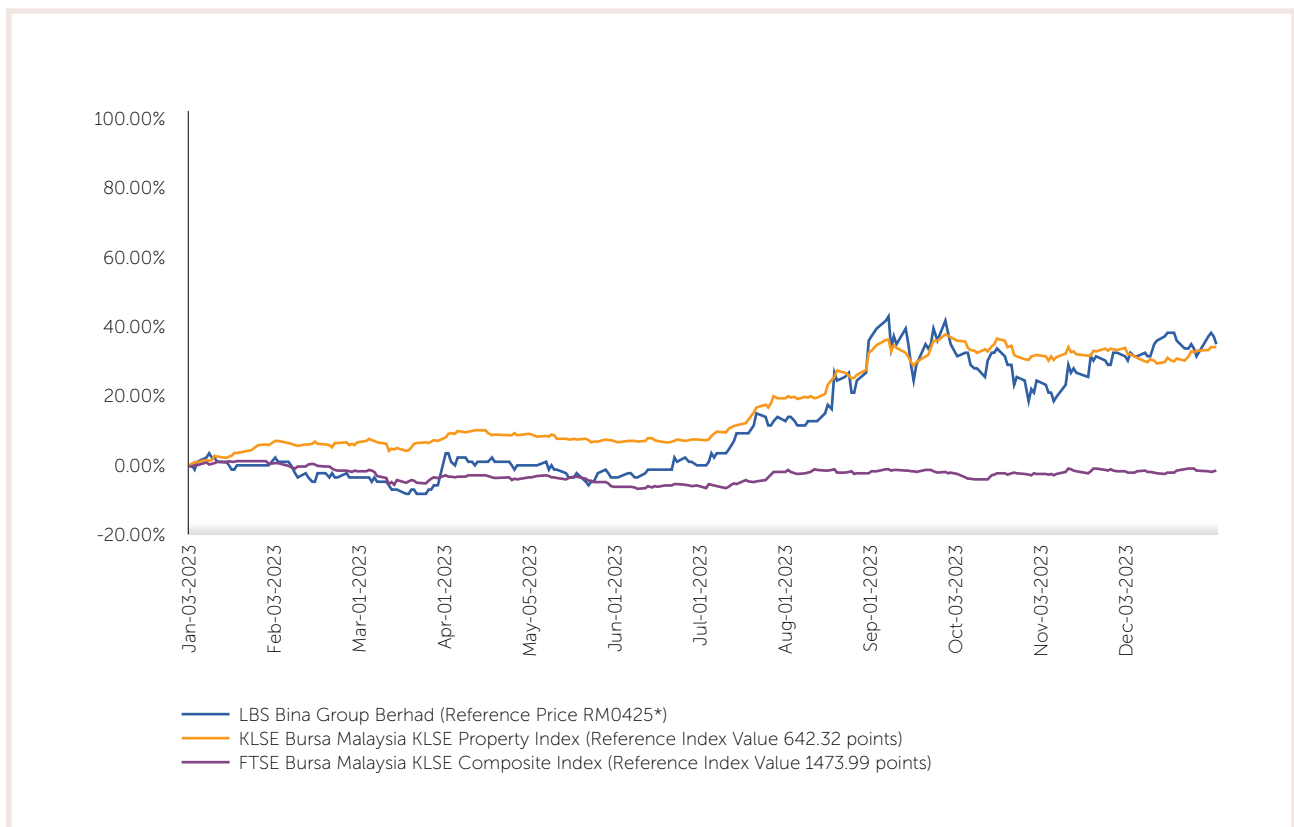
<p>AGM was held on 20 June 2023</p>	<p>1 VIRTUAL AGM (23rd)</p>
<p>264 ANNOUNCEMENTS to Bursa Malaysia and on the Group's website</p>	<p>13 VIRTUAL and PHYSICAL meetings and engagements</p>
<p>Covered by 3 RESEARCH HOUSES - Public Investment Bank Berhad - KAF Equities Sdn Bhd - RHB Investment Bank Berhad</p>	<p>3 PROVIDING BUY CALLS</p>



INVESTOR RELATIONS

SHARE PRICE PERFORMANCE

- Market Capitalisation as of 31 December 2022 = RM652.0 million
- Market Capitalisation as of 31 December 2023 = RM885.5 million
- Highest Share Price = RM0.605 (1 September 2023)
- Lowest Share Price = RM0.368 (27 March 2023)
- No. of Shareholders (as of 31 December 2023) = 8,925 shareholders
(8,765 shareholders as of 31 December 2022)



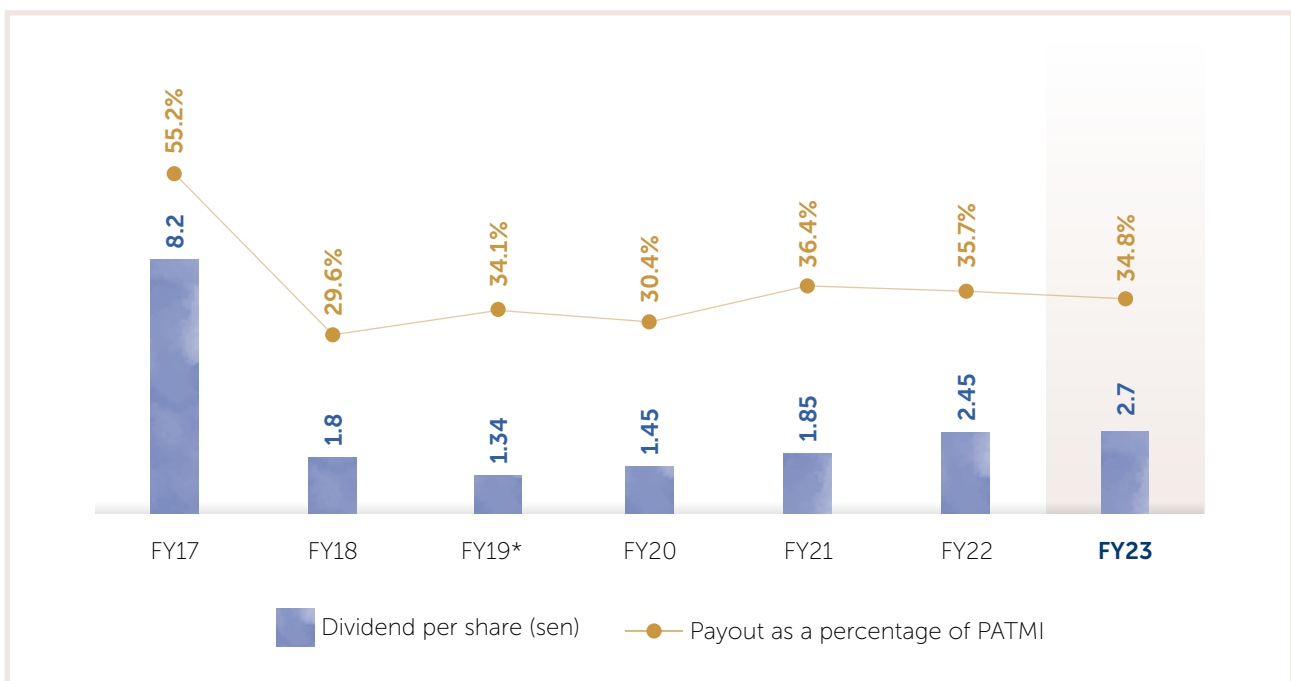
YEAR-ON-YEAR CHANGE (%)

LBS	-19
KLSE Property Index	-8.23
KLSE Composite Index	-4.5

INVESTOR RELATIONS

DIVIDEND PERFORMANCE

- Dividend per share = **2.70 sen** per ordinary share #
- Total dividend payout for FY2023 = **34.8%**
- Dividend payout policy = **30%**



* Single-Tier First and Final Dividend via share dividend distribution on the basis of 3 treasury shares for every 100 existing ordinary shares.

First interim single-tier dividend of 1.35 sen per ordinary share has been declared by the Board of Directors on 17 April 2024 and to be paid on 16 July 2024.

Final single-tier dividend of 1.35 sen per ordinary share to be approved by the shareholders at the forthcoming 24th Annual General Meeting.

INVESTOR RELATIONS CONTACT DETAILS

Feedback or enquiries can be sent to:

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Email : sandra@imejiwa.com

Name : Ahmad Syafiq Bin Shahrudin
Tel : +603 7861 8014
Email : ahmadsyafiq@lbs.com.my



Section 2

Group Leadership

- 37 Board and Board Committees
- 38 Directors' Profiles
- 47 Key Senior Management Profiles

BOARD AND BOARD COMMITTEES

AS AT 17 APRIL 2024

Board of Directors

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San

PSM, SSAP, DSSA, JP

Group Executive Chairman

Dato' Lim Mooi Pang

DIMP

Executive Director

Dato' Aminudin Zaki Bin Hashim

AMP, DPMP

Independent

Non-Executive Director

Datuk Wira Lim Hock Guan

DCSM, DMSM, PJK, JP

Group Managing Director/
Chief Executive Officer

Dato' Lim Han Boon

DIMP

Senior Independent

Non-Executive Director

Nuraini Binti Ismail

Independent

Non-Executive Director

Maj (Hon) Dato' Sri Lim Hock Sing

SSAP, DIMP, JP

Executive Director

Dato' Yong Lei Choo

DIMP

Independent

Non-Executive Director

AUDIT COMMITTEE

Dato' Lim Han Boon
(Chairman)

Dato' Aminudin Zaki Bin Hashim

Nuraini Binti Ismail

NOMINATION AND REMUNERATION COMMITTEE

Dato' Yong Lei Choo
(Chairperson)

Dato' Aminudin Zaki Bin Hashim

Nuraini Binti Ismail

RISK MANAGEMENT COMMITTEE

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

Dato' Lim Mooi Pang

Dato' Lim Han Boon

Dato' Yong Lei Choo

Dato' Aminudin Zaki Bin Hashim

SUSTAINABILITY COMMITTEE

Dato' Lim Mooi Pang
(Chairperson)

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San

Datuk Wira Lim Hock Guan

Dato' Lim Han Boon

Dato' Yong Lei Choo

Nuraini Binti Ismail

COMPANY SECRETARY

Lee Ching Ching

DIRECTORS' PROFILES



Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San

PSM, SSAP, DSSA, JP

Group Executive Chairman
Non-Independent Executive Director

Male | Age 66 | Malaysian

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

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

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

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

On 15 January 2024, he was appointed as Group Executive Chairman of MGB Berhad, a listed subsidiary of LBGB. Accordingly, he was re-designated as Group Executive Chairman of LBGB on the same day.

DIRECTORS' PROFILES

- xviii. Des Prix Infinitus Asean Property Award 2019 - Lifetime Achievement, 2019
- xix. Property Insight Prestigious Developers Awards (PIPDA) 2019 - Lifetime Achievement Award, 2019
- xx. iProperty Development Excellence Awards (iDEA) 2019 - Innovative Leader of the Year, 2019
- xxi. KSI Special Business Award (2022) – National Outstanding Entrepreneurs Lifetime Achievement Award, 2022
- xxii. Adjunct Professor of Leadership of UNITAR International, 2023
- xxiii. Professional Engineer of Board of Engineer Malaysia, 2023
- xxiv. UNITAR 23rd Convocation Ceremony – Honorary Doctor of Management (Honoris Causa), 2023

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

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

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

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

DIRECTORS' PROFILES

Datuk Wira Lim Hock Guan

DCSM, DMSM, PJK, JP

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

Male | Age 62 | Malaysian



Datuk Wira Lim Hock Guan was appointed as Executive Director of LBGB on 6 December 2001 and was later appointed as Managing Director on 1 March 2021. On 14 January 2022, he was re-designated as Group Managing Director/Chief Executive Officer (GMD/CEO) of LBGB.

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

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

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

Datuk Wira Lim is a substantial shareholder of the Company. He is also a member of the Sustainability Committee in LBGB. He holds directorship of several subsidiaries of LBGB and presently, sits as the Group Managing Director of MGB Berhad.

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

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

DIRECTORS' PROFILES

Maj (Hon) Dato' Sri Lim Hock Sing

SSAP, DIMP, JP

Executive Director

Non-Independent Executive Director

Male | Age 60 | Malaysian

Maj (Hon) Dato' Sri Lim Hock Sing was appointed as Executive Director of LBGB on 6 December 2001 and has been entrusted with LBGB's interests in the states of Pahang and Johor. He obtained his Bachelor of Accounting Degree from Eastern Washington University in 1989. Upon his graduation, he started practicing as an audit supervisor at Khoo & Co, a local public accounting firm.

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

Dato' Sri Lim'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 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

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



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

Dato' Sri Lim also sits on the board of several subsidiaries of LBGB, as well as serving as the Chairman of the Risk Management Committee in LBGB.

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

DIRECTORS' PROFILES

**Dato' Lim Mooi Pang**

DIMP

Executive Director

Non-Independent Executive Director

Female		Age 57		Malaysian
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Dato' Lim Mooi Pang was appointed to the Board of LBGB on 16 July 2009. Dato' Lim graduated with an Honours Degree in Management Studies from the University of Waikato, New Zealand. She began her working career with Messrs. Ernst & Young, New Zealand where she attained her qualifications as a member of the New Zealand Institute of Chartered Accountants. In addition, she is a Fellow Member of Chartered Accountants Australia and New Zealand.

Dato' Lim returned home to continue her career. She took up the position of Director of Finance and Administration with Speedline Technologies, an American multi-national company based in Singapore. Thereafter, she joined LBGB and assumed the position of Vice Chairman of Zhuhai International Circuit Ltd (ZIC), the Group's investments in Zhuhai, China. Dato' Lim continues to be the Vice Chairman of ZIC.

She is currently responsible for several of LBGB's corporate functions.

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

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

DIRECTORS' PROFILES

Dato' Lim Han Boon

DIMP

Director

Senior Independent Non-Executive Director

Male | Age 66 | Malaysian

Dato' Lim Han Boon was appointed as an Independent Non-Executive Director of LBGB on 27 August 2020 and subsequently re-designated as a Senior Independent Non-Executive Director on 18 April 2023. He holds a Master Degree in Business Administration from University of South Australia, Australia. He also attended the Senior Management Development Program at Harvard Business School. He is a Fellow member of the Chartered Association of Certified Accountants, UK, Chartered Accountant of Malaysian Institute of Accountants and member of Chartered Management Institute, UK.

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

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

Currently, he is a Board Member of Kuen Cheng High School Kuala Lumpur, a re-known 115 years old private independent Chinese secondary school founded in 1908. He is also an advisor to Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association of Malaysia. He was previously the Senior Independent Non-Executive Director of Top Glove Corporation Berhad before his retirement in early 2022.

Dato' Lim is the Chairman of the Audit Committee, a member of the Risk Management Committee, and Sustainability Committee in LBGB.



DIRECTORS' PROFILES

Dato' Yong Lei Choo

DIMP

Director

Independent Non-Executive Director

Female		Age 62		Malaysian
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Dato' Yong Lei Choo was appointed as an Independent Non-Executive Director of LBGB on 14 January 2022.

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

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

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

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

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

Dato' Yong is the Chairperson of Nomination and Remuneration Committee and a member of the Risk Management Committee and Sustainability Committee in LBGB.

DIRECTORS' PROFILES

Dato' Aminudin Zaki Bin Hashim

AMP, DPMP

Director

Independent Non-Executive Director

Male | Age 53 | Malaysian

Dato' Aminudin Zaki Bin Hashim was appointed as an Independent Non-Executive Director of LBGB on 18 April 2023. He graduated from Liverpool John Moores University (UK) with a Bachelor of Accounting and Finance (Honours) in 1993. He qualifies as a Chartered Global Management Accountant (CGMA) and was admitted as an Associate member of the Chartered Institute of Management Accountants (ACMA) in 2014. He also attended a Leadership Program at Harvard Kennedy School (USA) in 2016.

He was conferred the prestigious Sir Ian Morrow award for the world's best Strategy and Marketing paper for the final examinations of Chartered Institute of Management Accountant (CIMA) in 1996.

Dato' Aminudin is an experienced strategic thinker and transformation leader with 30 years of corporate leadership experience. He has been instrumental in the success of various enterprises and public policy agencies, bringing expertise in management consulting, change management, business process reengineering, strategy, marketing, turnaround and transformation management, and corporate entrepreneurship. His experience covers multinational corporations (MNCs), state-owned enterprises (SOEs), and conglomerates.

Dato' Aminudin has had a diverse career, starting at Rating Agency Malaysia Berhad in 1995 and later working with PA Consulting Group, Unisys MSC, PricewaterhouseCoopers Consulting, IBM Business Consulting Services, and Multimedia Development Corporation. He was the Associate Director of The iA Group and played a key role in kickstarting Institut Darul Ridzuan (IDR) and reactivating Menteri Besar Incorporated (MB Inc) for the State of Perak. As CEO of MB Inc, he focused on revitalising the sustainable mineral development industry and developing new growth corridors for the state. He has also served in various high-level committees and Board positions for the State and State Agencies between 2009-2018. His contributions were recognised with the award of Darjah Paduka Mahkota Perak (DPMP) by DYMM Sultan Perak in 2014.



In 2020, Dato' Aminudin joined a large family-owned conglomerate as Group Managing Director until February 2023. He also serves as a Senior Fellow at the Malaysian Institute of Economic Research (MIER) and advises several state governments on various strategic areas including Digital Economy, Industry Development, Green Technology and Renewable Energy, and New Income Generation.

Currently, he is the Independent Non-Executive Director of Olympia Industries Berhad.

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

DIRECTORS' PROFILES

Nuraini Binti Ismail

Director

Independent Non-Executive Director

Female | Age 61 | Malaysian



Nuraini Binti Ismail was appointed as an Independent Non-Executive Director of LBGB on 18 April 2023. She is a Fellow member of the Association of Chartered Certified Accountants (FCCA) and member of Malaysian Institute of Accountants.

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

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

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

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

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

KEY SENIOR MANAGEMENT PROFILES

Dato' Sri Lim Hock Seong

Deputy Chief Executive Officer

Male | Age 58 | Malaysian

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 LBGB on 6 December 2001.

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

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

Dato' Sri Lim 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 wellbeing of the community, he was conferred the Darjah Kebesaran Sri Sultan Ahmad Shah Pahang by the Sultan of Pahang in 2017.

He sits on the board of several subsidiaries of LBGB.

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



KEY SENIOR MANAGEMENT PROFILES



Lim Kim Kiat

Deputy Chief Executive Officer

Male | Age 37 | Malaysian

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 LBGB 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 the Group. He has since taken on various responsibilities which include commercial and corporate banking, cash and capital management, treasury risk management, as well as investor relations, in which he has gained extensive knowledge and exposure in the finance and treasury functions within the real estate industry. He is also overseeing the digital transformation team and plays a pivotal role in driving the LBGB 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 1 January 2021 he was appointed Executive Director of the company.

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

He currently sits on the board of several subsidiaries of LBGB.

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

KEY SENIOR MANAGEMENT PROFILES

Chen Sau Hiong

Senior General Manager of Project

Male | Age 61 | Malaysian

Chen Sau Hiong joined LBGB in July 2011. He holds a Bachelor of Science in Construction Management from Heriot-Watt University, UK. He is a Corporate Member of Chartered Institute of Building, UK. He was promoted to Senior General Manager of Project on 1 January 2021.

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

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

Chang Yee Khim

General Manager of Accounts and Finance

Female | Age 58 | Malaysian

Chang Yee Khim joined LBGB in 2000. She holds a Bachelor of Science (Honours) Degree majoring in Accounting and Economics from the University of Ulster, UK. She was promoted to General Manager of Accounts and Finance on 1 May 2006.

She started her career in a Chartered Accountancy firm in UK 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 LBGB to assist in the listing exercise for LBGB on Bursa Malaysia's Main Market which saw the Group officially listed in 2002. Following this, she was appointed to head the Corporate Finance Department where she was responsible for the Group's corporate exercises, bank borrowings, and cash flows. During this time, she gained extensive exposure in accounting, finance, and general management in the property development industry. She was later promoted to head the Accounts and Finance Department to oversee the accounting function of the Group.

KEY SENIOR MANAGEMENT PROFILES

Doris Lee Ching Ching

General Manager of Secretarial & Corporate Affairs

Female | Age 54 | Malaysian

Doris Lee Ching Ching joined LBGB in 2002. She is a Fellow member of the Institute of Chartered Secretaries and Administrator in the UK (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 was promoted to General Manager of Secretarial & Corporate Affairs on 1 May 2006.

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

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

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

Sally Lau Sau Kheng

General Manager of Sales and Marketing

Female | Age 57 | Malaysian

Sally Lau Sau Kheng has been working with the 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 LBGB'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 assumed the current position on 1 January 2011. Aside from being in charge of the sales and marketing activities of the Group, she is also responsible for the branding functions in relation to LBGB's projects.

KEY SENIOR MANAGEMENT PROFILES

Wong Kah Yeen

General Manager of Credit Administration

Male | Age 55 | Malaysian

Wong Kah Yeen joined LBGB in September 1999. He graduated from the London Chamber of Commerce and Industry with a Third Level Group Diploma in Cost Accounting and Business Management from a local Institute Examination Board (Associated College of The University of Wales, UK). He was promoted to General Manager of Credit Administration on 1 August 2014.

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

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

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

Additional Information for Directors & Key Senior Management

Save as disclosed, the members of the Board and Key Senior Management do not hold any directorship in any listed entity and public companies, have no family relationship with any Director and/or Major Shareholder of LBGB, have no conflict of interest or potential conflict of interest with the Group, 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 2023.

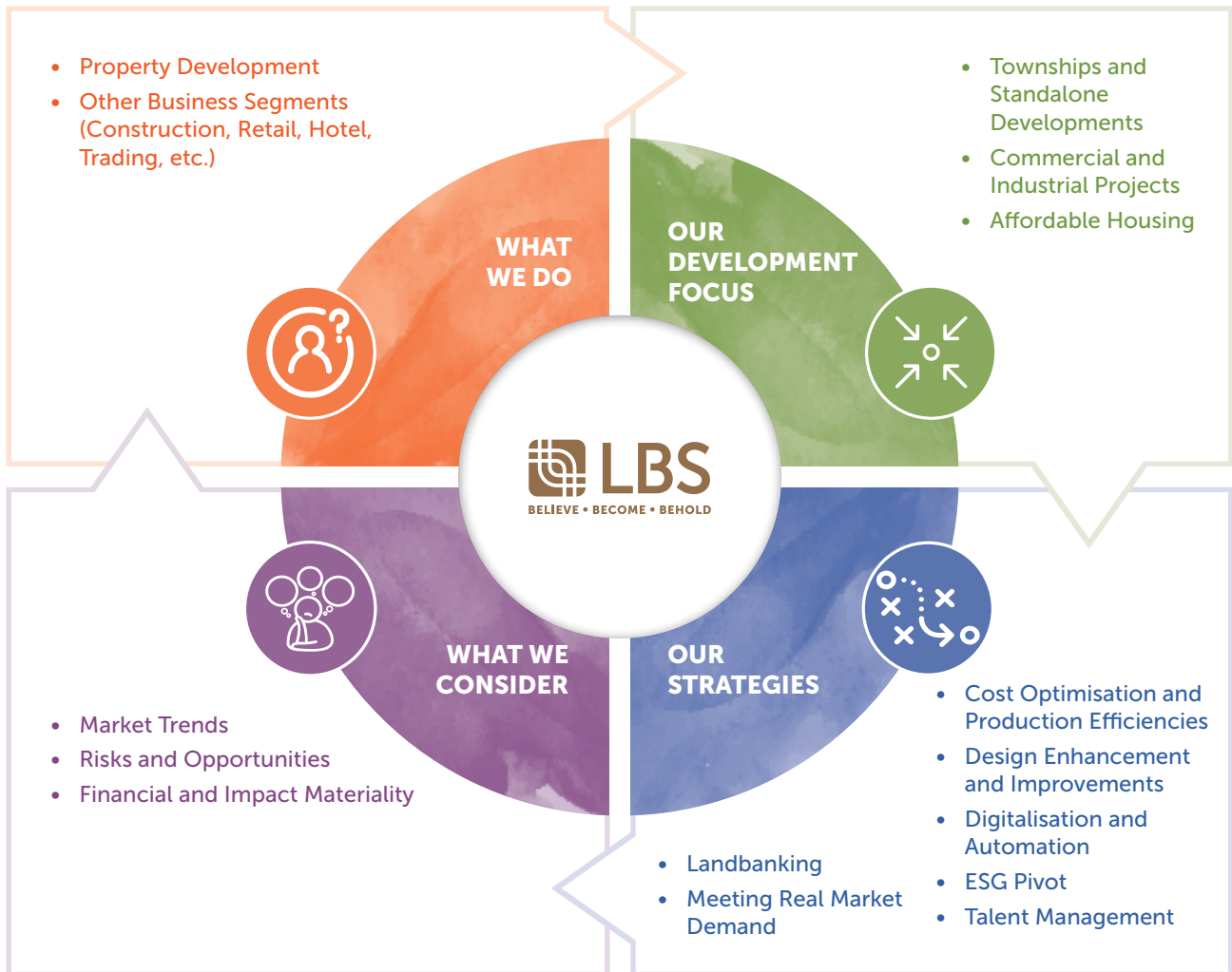


Section 3

Our Business Model and Value Creation Strategies

- 53** Our Business Model
- 55** Business Strengths Supporting the Business Model
- 56** The Business Model at Work
- 57** Matters Material to Enterprise Value Creation
- 62** Value Creation Model

OUR BUSINESS MODEL



Values created directly and indirectly contribute to the realisation of selected UN SDGs:



LBGB’s business model is centred on the development of properties and all related aspects such as land acquisition, design and construction, marketing and sales, project management, and post property development services such as property and asset management.

However, what makes LBGB’s approach to property development distinctive is the strong focus on affordable homes. In essence, the Group’s business operations including its internal capabilities, operational strategies, supply chain, development capabilities and brand communication are well geared towards the provision of urban, mass housing for the middle-income segment of Malaysians.

OUR BUSINESS MODEL

This is in keeping with the Vision and Mission of LBGB, which can be traced to its founder, Dato' Seri Lim Bock Seng towards addressing the challenge of homeownership among Malaysians.

LBGB continues to be driven by its philosophy of meeting the needs of a fast-evolving society, but where home ownership remains a perennial challenge for many. Despite facing rising costs and other factors, LBGB continues to pursue its goal of addressing the ongoing challenge of a lack of affordable homes and properties.



	FY2021	FY2022	FY2023
Percentage of properties priced below RM500,000 sold by LBGB	69%	77%	85%

LBGB is also well positioned to target other market segments aside from affordable properties. This provides LBGB with opportunities to develop higher-margin products and to diversify its offerings.

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

Kindly refer to the [Our Portfolio section](#) for more information on the Group's property projects, including retail and hospitality properties.

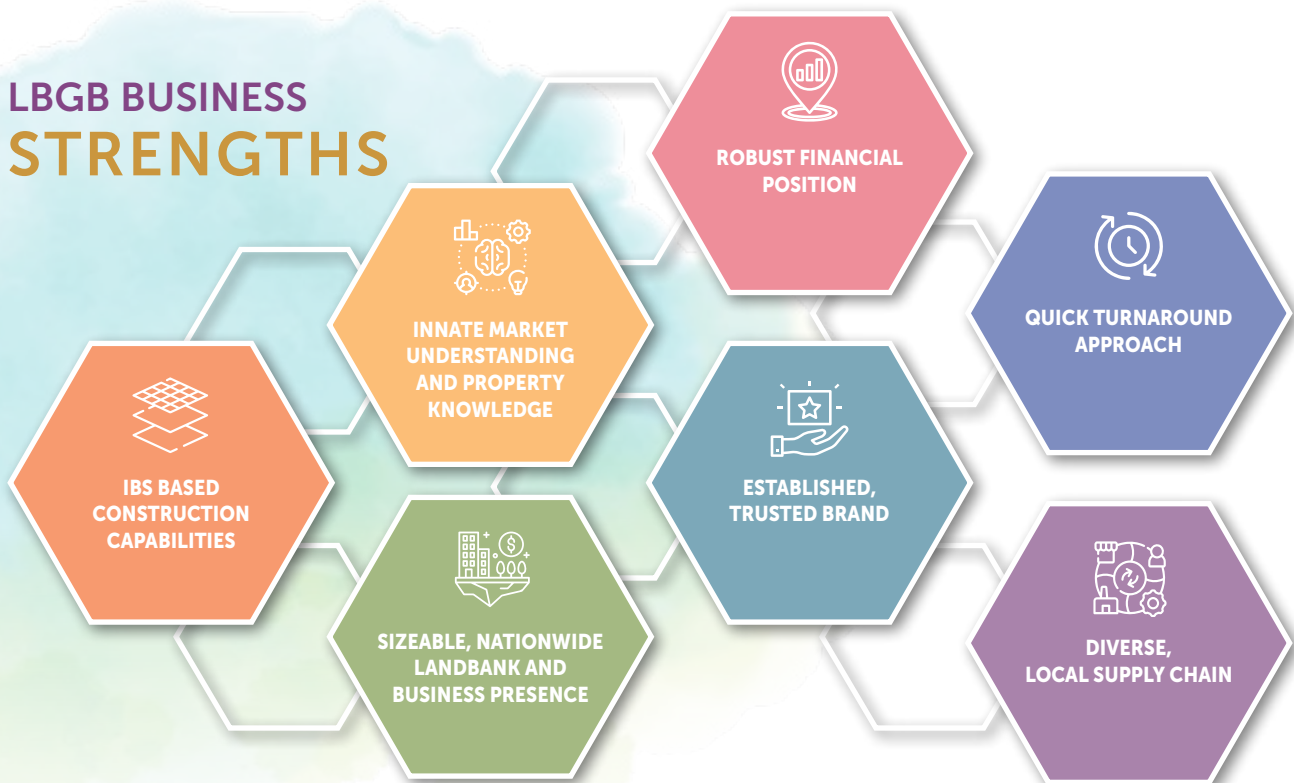


artist impression

BUSINESS STRENGTHS SUPPORTING THE BUSINESS MODEL


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

LBGB BUSINESS STRENGTHS



Among the Group's strengths include its strong understanding of the local market, especially the affordable homes segment. This includes an innate ability to consistently deliver affordably priced properties that feature good design and build quality, in strategic locations, complete with excellent accessibility and connectivity. This ability resides not just within the Group's internal operations but is supported by well developed supply chains that enable a more effective approach to managing rising costs, speed to market, and ensuring swift completion of launched projects which enables constant revenue recognition and cashflow.

The Group's longstanding experience in the domestic property sector also supports the collective ability of management to respond and adjust to prevailing and emerging market trends and developments.

As LBGB's entrenches its presence, the corporate brand continues to resonate strongly with targeted market segments, further establishing the Group's property launches as a top choice among buyers. Kindly refer to the **Business Model At Work section**  for more information on the Group's Value Chain.

THE BUSINESS MODEL AT WORK

In further explaining LBGB’s business model, IAR2023 provides disclosures on the Group’s value chain. The key processes such as land acquisition and building design, right to property construction and property management are provided as follows:



MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

LBGB continues to apply the principle of integrated thinking – identifying and prioritising material ESG matters that could have a significant impact on financial performance (financial materiality).

Financial materiality refers to the extent of an ESG topic’s impact on business and financial performance. For example, the impact of physical and transitional climate risks on business operations.




Impact materiality refers to the extent of impact caused by an organisation on any particular ESG topic and how this in turn impacts the environment and society. For example, how an organisation’s emissions levels cause pollution, or the impact of its business activities on water pollution and biodiversity.

In FY2022, LBGB conducted a comprehensive materiality assessment exercise – engaging both internal and external stakeholders, soliciting their views to determine significant material topics from both financial and impact materiality perspectives.

LBGB continues to progressively refine its materiality approach. The existing efforts are increasingly supported by information collected by the Group’s Risk function.

MATERIAL TOPICS	RISKS	OPPORTUNITIES/MITIGATIONS
 <p>PRODUCT QUALITY AND CUSTOMER EXPERIENCE (INCLUDING DEFECT MANAGEMENT)</p>	<p>Product Quality and Customer Experience is intrinsic to brand reputation and credibility as well as market perceptions. Another key aspect is the speed and completeness of defect rectification.</p> <p>Beyond quality of built units, other considerations include intangible elements such as customer service and management of completed projects (prior to handover to resident formed Management Committees).</p>	<p>OPPORTUNITIES:</p> <p>Focusing on product quality would likely unlock opportunities for cost and production efficiencies through re-engineering of business processes, as well as the introduction of new technologies. While these may incur CAPEX in the short-run, the medium to long-term benefits include improved product quality that would ultimately bolster consumer confidence in the brand. This would ultimately translate into brand equity and sales.</p> <p>MITIGATIONS:</p> <p>LBGB continues to strengthen its quality control processes. Quality control is undertaken through the development process i.e. from procurement of materials, design and construction as well as assessment of build quality and during the handover process. The introduction of digital technology further refines the approach for greater effectiveness.</p> <p>On the whole, LBGB continues to ensure its projects attain high QLASSIC scores, with a minimum score of 70%. The use of IBS enables a greater degree of precision and consistency in quality for built units. LBGB achieved the following QLASSIC scores in 2023:</p> <ul style="list-style-type: none"> Taman Kinding Flora (Phase 4), Ipoh, Perak, 75% Mercu Jalil, Bukit Jalil, 77% KITA Ria (1E), Cybersouth, 74% Melodi Perdana (AP5), Alam Perdana, Block A&B, 75% Bintang Residensi, Bukit Jalil, 75% <p>LBGB is committed to enhancing its overall customer experience and refining service processes. In FY2023, a total of 1,291 customer enquiries were recorded with a 97.99% resolution rate.</p>

MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

MATERIAL TOPICS	RISKS	OPPORTUNITIES/MITIGATIONS
 <p>ECONOMIC PERFORMANCE (TIMELY PROJECT COMPLETION)</p>	<p>The focus is ensuring timely project completion which is linked to revenue recognition.</p> <p>However, project completion can be affected by shortage of labour, OSH incidents, natural disasters, and more.</p> <p>The goal is to always ensure timely completion which also provides insulation against fines and liquidated ascertained damages ("LAD").</p>	<p>OPPORTUNITIES:</p> <p>Opportunities include developing and implementing new, more efficient construction methodologies, increased use of IBS and other techniques to expedite not only speed of completion, but also to derive cost savings, reduce waste, and minimise our environmental footprint.</p> <p>MITIGATIONS:</p> <p>Through continued good project management based on a fast turnaround model, LBGB has continued to ensure timely project completion of all projects in FY2023. Leveraging on the Group's internal capabilities and experience, LBGB is able to build into its project planning provisions to reduce supply chain disruptions, rising material and labour costs, as well as prepare / adapt for inclement weather.</p>
 <p>ECONOMIC PERFORMANCE (COST ESCALATION RISKS)</p>	<p>Rising operating costs caused by increases in material, labour, energy and compliance costs is a challenge that property developers continue to face.</p>	<p>MITIGATIONS:</p> <p>LBGB continues to implement various cost as securing project supplies well in advance and also continues to stay abreast of changes in legislation towards avoiding non-compliance related costs.</p> <p>The use of IBS systems enables improved project control and operational efficiencies.</p>
 <p>ECONOMIC PERFORMANCE (SALES TARGET REALISATION)</p>	<p>Stiff market competition, changes in interest rates, macro-economic conditions and other external factors beyond the control of LBGB company can influence sales performance.</p> <p>The Group caters to the affordable market segment, which generally generates stable sales with strong market demand.</p>	<p>OPPORTUNITIES:</p> <p>The pursuit of sales target realisation can lead to the discovery and implementation of new product marketing strategies, increased use of technology, and ultimately a more cost effective and efficient customer acquisition process. It also leads to improved customer relationship strategies, strong customer profile development, and improved market understanding.</p> <p>MITIGATIONS:</p> <p>LBGB considers overall market sentiments, macro-economic conditions, and incoming property supply, as well as existing unsold properties when setting annual sales targets.</p> <p>Past performance/track record of projects is also duly considered in the target setting mix.</p> <p>In addition, the Group continues to focus on enhancing its marketing efforts and supporting sales through financing and home ownership packages.</p>




MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

MATERIAL TOPICS	RISKS	OPPORTUNITIES/MITIGATIONS
 <p>RESPONSIBLE SUPPLY CHAIN</p>	<p>LBGB’s reliance on local supply chains enables the Group to mitigate to a large extent, disruptions in the procurement of goods and services. Other supply chain considerations include increased requirements for supply chains to be ESG compliant.</p> <p>Some local suppliers may also be affected by climate change and the ongoing shift towards greener construction and development methodologies.</p>	<p>OPPORTUNITIES:</p> <p>The focus on the supply chain would potentially enable LBGB to develop “greener” and more resilient supply chains over time. This would require investment in supplier engagement and education, which progressively offers the benefit of realising lower embodied carbon, and the procurement of ESG compliant goods and services.</p> <p>Continued supply chain focus would also support efforts towards diversifying the supplier base, increasing the pool of available vendors for specific products and services. This would reduce the risk of disruption due to over reliance on a single or smaller base of suppliers.</p> <p>MITIGATIONS:</p> <p>LBGB continues to diversify its supply chain. The Group’s Sustainable Procurement Policy and KYS Risk Assessment enable a more strategic approach to vendor acquisition. This includes conducting thorough assessments on the resilience and capability of vendors including assessment for potential vulnerabilities with regard to human rights issues, pollution, and corruption.</p>
 <p>GOVERNANCE</p>	<p>The Group’s zero-tolerance, no-compromise position on corruption has to a large extent, enabled LBGB to develop a strong position against corruption risks and impacts.</p> <p>The same is being progressively implemented across external stakeholders, namely supply chains. LBGB has developed a robust, comprehensive approach towards remaining corrupt free, given the potential negative impacts arising. These include reputational loss, defective product quality, the struggle and challenges to recruit and retain talent, and more.</p>	<p>OPPORTUNITIES:</p> <p>Continuing to maintain a strong anti-corruption commitment would further embellish LBGB’s corporate image. It would strengthen relationship with institutional stakeholders and eliminate any potential distortion or inefficiencies within the Group’s business model and value chain.</p> <p>MITIGATIONS:</p> <p>LBGB has aligned its management approach with Section 17A of the Malaysia Anti-Corruption Commission (MACC) Act, and all directors and staff have received training and knowledge on the matter of corruption across the Group. The focus is to extend the same across the Group’s supply chains and to conduct anti-corruption audits on an annual basis.</p>

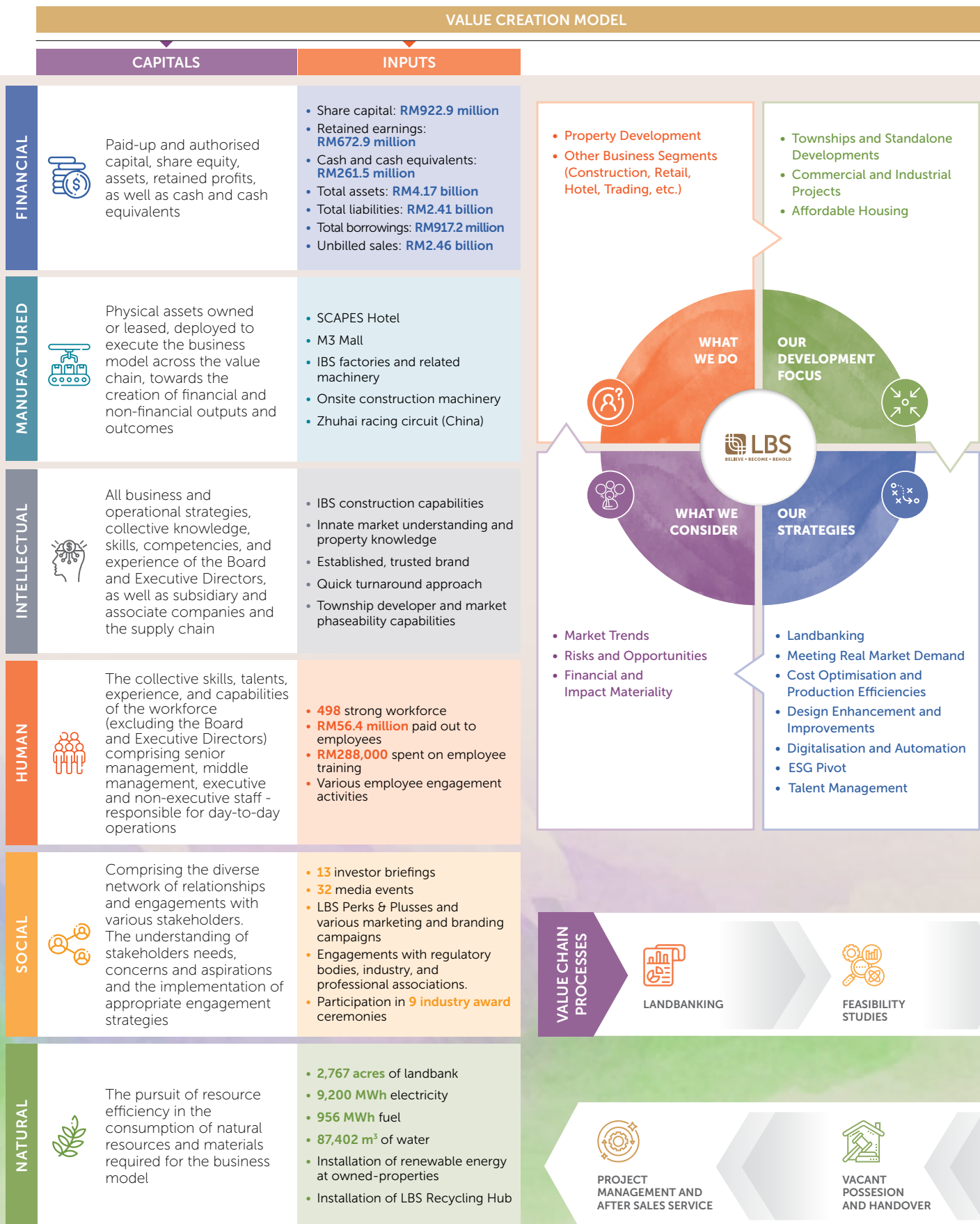
MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

MATERIAL TOPICS	RISKS	OPPORTUNITIES/MITIGATIONS
 <p>CLIMATE ACTION</p>	<p>In October 2023, LBGB conducted its first Climate Change Risk Assessment and Scenario Planning Workshop, facilitated by an external guidance and advisory firm.</p> <p>Identified physical risks comprise impacts to business operations arising from primarily, flash floods, rising temperatures and landslides.</p>	<p>OPPORTUNITIES: Opportunities include reduced energy costs, achieved through a long-term strategy of decarbonisation.</p> <p>MITIGATIONS: The identification of LBGB’s climate risks from its inaugural assessment exercise have enabled both the Group and operational levels to adopt site specific mitigation measures.. The Board and Management have also endorsed further development of LBGB’s approach to addressing climate change.</p> <p>Among key measures established include a dedicated Board level Sustainability Committee, a working-level Sustainability Unit under the auspices of the Project Management Office (“PMO”). LBGB has also developed its Net Zero Carbon (“NZC”) roadmap and is progressively implementing the various recommendations under TCFD.</p> <p>Further efforts will be focussed on developing more comprehensive site specific disclosures going forward.</p> <p>The Group is also exploring expanding its existing efforts on waste recycling, energy management and reduction, adoption of renewable energy, and reduction of carbon emissions.</p>
 <p>TALENT MANAGEMENT</p>	<p>A highly competitive talent market due to talent scarcity, brain drain, and other factors lead to an industry-wide challenge to recruit and retain talent.</p> <p>The Group is cognisant that competent talent is essential for optimum productivity, effective execution of business strategies, succession planning, seamless technological adoption, and more.</p>	<p>OPPORTUNITIES: Focusing on talent enables the development of a stronger organisational culture, higher employee morale and satisfaction, which potential translates into lower attrition rates and improved productivity and ability to attract top talent.</p> <p>MITIGATIONS: LBGB, through Group Human Resources continues to implement a comprehensive talent management programmes focusing on all aspects such as hiring, rewarding, training and retention of staff.</p> <p>Employee engagement through townhalls and other initiatives are also undertaken to ensure management is able to gauge employee sentiments. Engagement also includes surveys. Other initiatives include the Group-wide Idea Pitch and various others.</p>
 <p>OCCUPATIONAL SAFETY AND HEALTH (“OSH”)</p>	<p>LBGB continues to guard against OSH incidents which could potentially cause disruptions to works on site, ultimately causing delays in completion that could consequently lead to fines or affected reputation.</p>	<p>OPPORTUNITIES: Continued focus on OSH through the implementation of leading indicators together with existing lagging indicators would improve operational site safety, which could translate into improved productivity on site. This may lead to faster completion of projects.</p> <p>MITIGATIONS: LBGB adheres to the relevant regulations set by the government to ensure compliant operations. The Group has developed a robust management approach based on its Safety and Health in Workplace Guidelines. Going further, the Group’s OSH policy further affirms the importance of good OSH practices organisation-wide. Relevant OSH teams have been established at all relevant operating sites. The Group also invests in regular OSH training, with workers represented on OSH committees.</p>

MATTERS MATERIAL TO ENTERPRISE VALUE CREATION

MATERIAL TOPICS	RISKS	OPPORTUNITIES/MITIGATIONS
 <p>DIGITALISATION AND TECHNOLOGY</p>	<p>Continued adoption of digitalisation and technology may necessitate increased safeguards on cybersecurity, namely data protection. Technological proliferation would essentially involve more dissemination and use of data, including proprietary or personal data.</p> <p>Technology adoption may entail additional costs such as hiring new staff, investing in training and professional development and more.</p> <p>There may also be a learning curve as personnel are trained, and organisational changes are implemented.</p>	<p>OPPORTUNITIES:</p> <p>Technology continues to offer significant potential in delivering cost and operational efficiencies, streamlining processes, increasing speed to market, improving reach to customers, enhancing the effectiveness of marketing and branding activities and delivering a wide range of benefits across the business model.</p> <p>MITIGATIONS:</p> <p>The Group focuses on sustainable digitalisation across its business model. This involves utilising technology to enhance interactions from suppliers to customers.</p>
 <p>DATA PRIVACY AND CYBERSECURITY</p>	<p>As a property developer, LBGB receives and manages a vast amount of consumer data including confidential information.</p> <p>While the Group has had a track record of zero confirmed data breaches, the increasing sophistication in cyberattacks warrant continuous vigilance and continuous enhancements in data protection measures.</p>	<p>OPPORTUNITIES:</p> <p>Opportunities for system hardening, migration to more secure Information and Communications Technology ("ICT") infrastructure, and employee education on the importance of data protection and adhering to ICT protocols. The above may enable a more secure way to utilise customer and market data, which could enable improved insights to drive more empowered business/marketing strategies.</p> <p>MITIGATIONS:</p> <p>LBGB continues to assess its existing ICT infrastructure and systems as well as protocols and procedures. This includes strengthening its ICT policy, investing in staff education, and implementing necessary measures such as restricting user access to customer data and proprietary information.</p>
 <p>BUSINESS ETHICS AND INTEGRITY</p>	<p>Similar to corporate governance and anti-corruption, the continued practice of business ethics and integrity is essential to prevent poor / improper business and operational practices, to avoid inefficient practices and other impacts that would affect value creation.</p>	<p>OPPORTUNITIES:</p> <p>Similar to corporate governance and anti-corruption, good business ethics and integrity would support a high-performance organisational culture, it would improve the attraction and retention of top talent, reduce inefficiencies in operations, and develop corporate branding.</p> <p>MITIGATIONS:</p> <p>LBGB has developed its Code of Conduct, adheres to all relevant laws and industry best practices including the practices outlined by the Malaysian Code on Corporate Governance 2021, and the Listing Requirements.</p>

VALUE CREATION MODEL



VALUE CREATION MODEL

LBGB BUSINESS STRENGTHS



MASTERPLANNING/
PROJECT DESIGN

REGULATORY/
AUTHORITY
APPROVALS

CONSTRUCTION
AND DEVELOPMENT

MARKETING/
BRANDING
LAUNCH

OUTPUTS

OUTCOMES

- Revenue: **RM1.83 billion**
- Profit after tax: **RM159.42 million**
- Cash and cash equivalents: **RM554.8 million**
- Total assets: **RM4.27 billion**
- Total liabilities: **RM2.43 billion**
- Total borrowings: **RM768.2 million**

- Unbilled sales: **RM1.99 billion**
- **RM47.81 million** dividend payout
- **RM15.2 million** paid to Perpetual Sukuk holders
- **RM110.0 million** paid in taxes
- **RM118.6 million** paid in wages
- **RM3.0 million** paid in community investments
- **RM62.2 million** paid in finance costs
- Market capitalisation: **RM885.5 million** as at end FY2023

- **10** property launches, **4,872** units handed over
- Average QCLASSIC score levels of: **75.3%**
- **2.3 million** mall footfall
- **43%** hotel occupancy rate

- GDV of VPed units: **RM2.4 billion.**
- **8.5 out of 10** average satisfaction rate
- Enabling more middle-income Malaysians to own a home
- Provision of enhanced lifestyle and improved quality of living

- Continued business growth as reflected in property sales, revenues, and earnings performance
- Strengthening of the risk management and mitigation framework
- Improvements in ESG performance of the supply chain
- **Zero** fatalities or major injuries

- Continued growth and progress in the creation of financial and non-financial values for LBGB and/or its stakeholders

- **498** strong workforce
- **26.78** average training hours per employee

- High employee satisfaction, high retention rates, development of local talents, generating job opportunities for career advancement. Progressive realisation of diversity in workforce composition, and enhanced employees overall wellbeing
- Awarded **Graduates' Choice Award (GCA)** - "Malaysia's Most Preferred Graduate Employers to Work For"
- Continued development of a high-performance organisational culture
- **77% score** on employee satisfaction survey

- Improved stakeholder relationships
- **3 buy calls** from analysts and research houses
- **19 awards** secured
- **100%** supplier compliance to ABC Policy
- **Zero fines** for social/labour non-compliance
- Donated more than **RM1.7 mil** through LBS Foundation.
- **3,542 volunteering hours** from employees

- Strengthened positive brand perception among multiple stakeholder groups which contribute to robust sales, positive media publicity, and investor interest
- Recognised as one of **Malaysia's Best Managed Companies 2023**
- **More than 420,000** external beneficiaries in 2023

- **2767 acres** of landbank
- **7,935 TCO_{2e}** in emissions:
 - Scope One : **288 TCO_{2e}**
 - Scope Two : **6,973 TCO_{2e}**
 - Scope Three : **674 TCO_{2e}**
- **38.05 tonnes** of total waste
- **Zero** reported fines for environmental no-compliance

- **Improved environmental oversight** and implementation of practices with progressive integration of ESG into the Group's business strategies and its operations
- **4.78 TCO_{2e}/Revenue RM'000** total carbon intensity
- **1.77%** decrease of energy intensity by revenue from 2022 levels
- **0.82%** decrease of water intensity by revenue from 2022 levels
- **>33,500** trees planted
- **21.92 tonnes** of waste disposed
- **16.13 tonnes** of waste diverted
- **42.39%** waste diverted from landfill



Section 4

Leadership Messages and Performance Review

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GROUP EXECUTIVE CHAIRMAN'S PERSPECTIVES

“

**DEAR SHAREHOLDERS,
IT IS WITH PLEASURE THAT I SHARE
WITH YOU THE AUDITED ACCOUNTS
AND INTEGRATED ANNUAL REPORT
OF LBS BINA GROUP BERHAD (“LBGB”
OR “THE GROUP”) FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2023.**

TAN SRI DATO' SRI IR. (DR.) LIM HOCK SAN
GROUP EXECUTIVE CHAIRMAN

2023 proved to be a challenging year but one where LBGB has continued to register notable progress. Amidst the many headwinds faced in what was a year of moderating economic growth, we continued to leverage on our existing business strengths, while increasingly embracing new ideas to ensure the relevance and competitiveness of our business model, and to capitalise on new opportunities.

The external operating environment was turbulent, impacted by both global and domestic circumstances. Malaysia's Gross Domestic Product (“GDP”) growth moderated to 3.7% for 2023, significantly reduced from the preceding year's robust performance of 8.7%. GDP growth had moderated due to slower global trade, the global tech downcycle, geopolitical tensions, and tighter monetary policies. A weaker domestic currency vis-à-vis the US dollar and against other major currencies were also factors that dampened economic growth.



GROUP EXECUTIVE CHAIRMAN'S PERSPECTIVES

The property sector however, despite rising costs and weaker consumer spending, shrugged off the effects to register a continued upward trend as evident in the rise of value of property transactions, though overall volume of transactions moved sideways. Market demand was driven mainly by first time homeowners and owner-occupiers in 2023.

LBGB continued to focus on meeting real market demand, typified in its launch of 10 new projects to market, with a cumulative GDV value of RM2.33 billion. By focussing on our core development values of affordability, connectivity and community, our launched products continued to see strong market traction, reflected in an upbeat sales performance. In 2023, we achieved RM1.7 billion in total confirmed sales and another RM1.99 billion in unbilled sales.

We have always believed that LBGB's unique characteristics as a property developer, has consistently enabled the Group to deliver compelling value propositions that appeal to a wide range of demographic segments, including the affordable mass-market, middle income segment.

Our passion for properties is evident in that we are cognisant of our unique position to contribute to nation-building; to uplift communities, drive home-ownership, develop infrastructure, support local supply chains and talent, and many other socio-economic benefits. Increasingly, as we build, we place a greater emphasis on these enduring values that we create for society and the country as a whole.

By serving society, we are inherently contributing to the betterment and robustness of our business model, which in turn shall sustain LBGB well into the future.

Our ability to deliver quality homes at attractive price points together with supporting infrastructure and amenities ensure that we stay in touch with customers and continue to earn their trust and confidence, reflected in robust sales. Beyond understanding market preferences, our ability is supported by internal capabilities that enable LBGB to achieve sustainable earnings margins, even as we come under pressure from rising material, labour and other costs.

IN 2023, WE ACHIEVED

RM1.7 BILLION

**IN TOTAL CONFIRMED SALES
AND ANOTHER**

RM1.99 BILLION

IN UNBILLED SALES.

IMPROVING FINANCIAL PERFORMANCE

I am pleased to share that LBGB registered another record breaking revenue and earnings performance.

In 2023, LBGB achieved revenues of RM1.83 billion, a 6% year-on-year improvement (2022: RM1.72 billion) on the back of strong revenue recognition for progress of works achieved on projects, as well as robust sales performance recorded in the financial year. The Group's main contributors were its Property Development and construction divisions.

On the back of increasing revenues and continued cost optimisation, LBGB's bottomline has also recorded significant improvement. Both profit before tax ("PBT") and profit after tax ("PAT") rose by PBT 11% and PAT 16% respectively, year-on-year to reach RM240 million and RM159 million respectively. Detailed financial analysis of the Group's financial performance is provided in the Management Discussion and Analysis section of this Integrated Annual Report.

REWARDING SHAREHOLDERS WITH CONSISTENT DIVIDENDS

Consistent with its commitment to reward shareholders, LBGB in respect of 2023, has declared a total dividend of 2.70 sen per ordinary share equivalent to a total payout to shareholders amounting to RM41.6 million. This equals to 35.6% of profit after tax and minority interests ("PATMI") for 2023.

In addition, a dividend of 6.6 sen per preference share was paid out to all of Redeemable Convertible Preference Shares ("RCPS") amounting to RM6.21 million in respect of 2023.

GROUP EXECUTIVE CHAIRMAN'S PERSPECTIVES

ADOPTING NEW APPROACHES

For many years, LBGB has truly become a household, homegrown Malaysian brand. We have developed a reputation for being a property company that can be trusted for quality developments and for elevating lifestyles, and making the homeownership dreams of thousands of Malaysians come true. And we would like to do more.

Our Sukuk Wakalah programme has attained an AA-IS rating with a "stable" outlook from MARC Ratings Bhd. The first tranche, the RM200 million Asean Social SRI Sukuk Wakalah is priced at a yield of 5% per annum, is secured and has a five-year tenure from the issue date – maturing on 23 January 2029. The first tranche marks the commencement of RM750mil Sukuk Wakalah programme.

Importantly, our Sukuk issuance saw strong market traction with an order book size of RM1.276bil – reflecting an oversubscription of 6.38 times, which is comparatively high among real estate players in Malaysia. The investor mix comprises 85% of institutional investors and the balance of retail investors.

Funds will be utilised driven by our growing sustainability focus. Our Sukuk is linked to efforts in creating social and environmental values, in particular, the development of affordable homes, the construction of infrastructure such as roads, bridges and facilities that benefit local communities and more.

We have merged financial capital and values together with our social purpose and that LBGB's distinctive approach to property development has been well recognised as effective financially for business, and operationally sustainable. The Sukuk is timely in supporting the Group's cash flow, and aligns with our MARC, gold rated sustainability financing framework.

**THE LAUNCH OF OUR
RM750 MILLION
AA-RATED SUKUK WAKALAH IS A
GAME-CHANGER
FOR THE GROUP.**

CONTINUED FOCUS ON GOOD GOVERNANCE AND INTEGRITY

The Board of Directors of LBGB, together with Management continued to uphold their commitment towards maintaining the highest levels of corporate governance Groupwide. Good governance builds better businesses, and is the bedrock for the development of a high-performance organisational culture that resides at the heart of any successful organisation. Governance is the essential foundation for effective oversight, including processes and controls, responsibility and ownership, professionalism, and meritorious performance.

Leading by example, in 2023, the Board attended the Mandatory Accreditation Programme Part II and also various other training sessions. New policies have been introduced such as the Sustainable Procurement Policy and the development of the Group Sustainability Framework comprising four tangible goals: Economic Prosperity, Climate Resilience, Social Enrichment, and Good Governance.

LBGB is providing further impetus in ramping up its decarbonisation and overall sustainability strategy. The Board continues to provide comprehensive oversight and plays an active role. This includes establishing clear KPIs and targets for the Group and supporting Management in developing plans to achieve said targets. The Group-wide Sustainability Policy has been further strengthened to provide improved scope, in tandem with demands of regulators and investors, as well as in providing supportive procedures and controls to drive the ESG agenda.

At the operational level, in 2024, LBGB has linked ESG KPIs to the remuneration of senior executives. We have also been progressively integrating ESG considerations into business operations to identify and mitigate ESG-related risks that will impact the company's long-term viability. Notably, ESG considerations have been incorporated into the land acquisition process and there is now supplier risk assessment for environmental and social compliance for all new suppliers.

LOOKING AHEAD

The outlook for the global and domestic economy is expected to remain challenging, with the possibility of growth further moderating in 2024. However, we draw confidence that the domestic property sector, despite the impacts of rising costs and other concerns, will remain robust.

GROUP EXECUTIVE CHAIRMAN'S PERSPECTIVES



Sectoral growth will be supported by inelastic market demand from a growing middle-income mass segment who require homes. Facilitating factors such as government financial assistance and incentives, developer driven home ownership packages and more will also support the property sector.

The key is to understand the pulse of the market and to deliver products that meet the evolving needs of buyers in the wake of the COVID-19 pandemic. Industrial properties also present viable opportunities.

LBGB will continue to respond proactively to market forces. We shall continue to diversify our suite of products to include a mix of residential, commercial, and mixed-use developments. Diversification helps mitigate risks associated with fluctuating demands in specific property segments, ensuring a more balanced revenue stream.

Apart from our residential property launches, another notable highlight is our industrial parks at Alam Perdana in Puncak Alam and Teluk Gong in Klang, both in the state of Selangor.

This allows us to tap the growing industrial segment in Malaysia, driven by a rapid expansion in various industries post pandemic. Among these include the rise of the logistics and warehousing sector on the back of growing online shopping and e-fulfilment, the relocation of businesses in China to Malaysia in response to US-China trade tensions, and more.

In addition to our property development division, we also aim to grow our other business divisions. These include construction, hotel and management, and investment

businesses. These provide the Group with recurring income streams which we aim to grow going forward, towards achieving a better balance between such incomes and one-off property sales based revenues.

Other emerging potentials include venturing into the healthcare space via joint venture collaborations, and also agriculture. LBGB has landbank that can cater to a wide range of business opportunities. Another potential being considered is the participation in the Corporate Green Power Programme ("CGPP") towards producing clean energy. Leveraging the design and construction expertise of our Group subsidiary, MGB, LBGB is well-placed to venture into new sectors beyond its conventional property development.

A NOTE OF THANKS

As we look to the future with a measure of positivity and optimism, on behalf of the Board of Directors, I take this opportunity to thank all stakeholders who have played a role in our journey of continued progress. Firstly, I thank the Management and staff of LBGB, whose professional contributions have been pivotal in driving our growth. I also wish to express my gratitude to our shareholders for their continued vote of confidence in the Group, and our bankers, suppliers, partners, regulatory bodies, and agencies for continuing to support us. May we look forward with renewed conviction as we set our sights on greater heights in 2024.

TAN SRI DATO' SRI IR. (DR.) LIM HOCK SAN

Group Executive Chairman

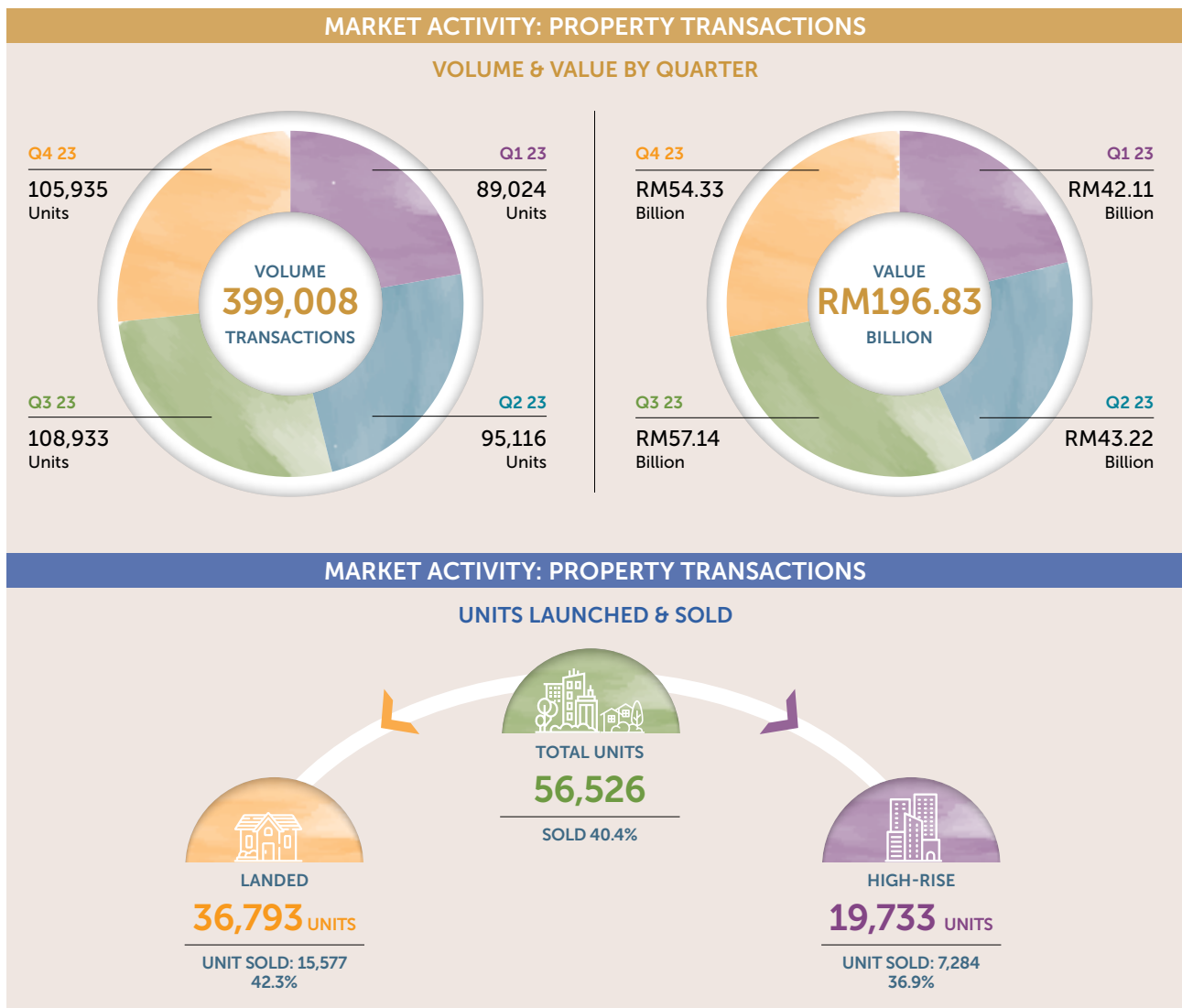
MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE EXTERNAL OPERATING ENVIRONMENT

In 2023, Malaysia continued to see its economy moderate with GDP growth for the year declining to 3.7% (FY2022: 8.7%). However, despite slower than expected economic growth, financial year ended 31 December 2023 was a positive year for the property sector. Property market transactions in terms of value and volume remained robust, with the former recording a year-on-year increase.

In 2023, the total property sales volume and value increased by 2.5% and 9.9% respectively, to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). Consistent with the upward trend of the value of properties transacted, the Malaysian House Price Index ("MHPI") also recorded an increase of 3.2% year-on-year to stand at 216.5 points.

The residential sub-sector which continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.



Source: Property Market Report 2023, National Property Information Centre ("NAPIC")

MANAGEMENT DISCUSSION AND ANALYSIS

While the property sector continued to see strong growth, the industry, notably property developers and contractors continued to face rising material, labour and energy costs. Costs of raw materials had risen on the back of inflationary pressures as well as supply chain disruptions, as well as the surge in demand for such materials due to a strong industry recovery, in the wake of the COVID-19 pandemic.

Energy costs, particularly electricity costs were higher, after the increase in the imbalance Cost Past Through ("ICPT") tariff mechanism effective 1st January 2023. Though prices were revised downwards in June 2023, the new tariffs still far exceeded previous pricing.

In 2023, borrowing costs continued to rise, especially in the second half of 2023, as Bank Negara Malaysia hiked the Overnight Policy Rate ("OPR") by 25 basis points in May 2023 to reach 3.0% during the financial year. This was in addition to the earlier basis points hikes imposed by the Central Bank since May 2022 to bring the OPR from a pandemic era 1.75% to the present high of 3.0%. Correspondingly, commercial banks raised their Base Lending Rates ("BLR") resulting in higher lending costs for property developers as well as property buyers.

However, demand for property, as evident in rising sales transaction value, continued to be robust. This demonstrates that buyers' confidence towards the property sector remained intact. In 2023, housing loan approvals increased marginally by 3.1% with a total of RM186.9 billion in loans approved. Notably loan approvals were driven by higher approvals for first-time homebuyers, reaching 72.0% in June 2023, up from 70.1% in December 2022.

LOAN APPLICATION AND LOAN APPROVAL FOR PURCHASE OF RESIDENTIAL

PURCHASE OF RESIDENTIAL					
YEAR	LOAN APPLICATION (RM BILLION)	LOAN APPROVAL (RM BILLION)	% CHANGE LOAN APPLICATION	% CHANGE LOAN APPROVAL	RATIO APPROVAL/ APPLICATION (%)
2017	239.81	101.52	13.1	15.9	42.3
2018	240.90	103.70	0.4	2.1	43.1
2019	260.77	112.57	8.3	8.6	43.2
2020	266.44	93.12	2.2	-17.3	35.0
2021	349.60	122.00	31.2	31.0	34.9
2022	450.07	181.37	28.7	48.7	40.3
2023	446.74	186.94	-0.7	3.1	41.8

Source: Bank Negara Malaysia

LOAN APPLICATION AND LOAN APPROVAL FOR PURCHASE OF NON-RESIDENTIAL

PURCHASE OF NON-RESIDENTIAL					
YEAR	LOAN APPLICATION (RM BILLION)	LOAN APPROVAL (RM BILLION)	% CHANGE LOAN APPLICATION	% CHANGE LOAN APPROVAL	RATIO APPROVAL/ APPLICATION (%)
2017	86.04	31.12	7.6	-5.4	36.2
2018	96.93	35.15	12.7	12.9	36.3
2019	97.57	36.55	0.7	4.0	37.5
2020	68.34	22.96	-30.0	-37.2	33.6
2021	91.49	33.45	33.9	45.7	36.6
2022	122.38	64.49	33.8	92.8	52.7
2023	158.61	74.05	29.6	14.8	46.7

Source: Bank Negara Malaysia

MANAGEMENT DISCUSSION AND ANALYSIS

Various home ownership incentives such as the government's Home Ownership Programme and other incentives announced under Budget 2024 continued to encourage buyers to transact, especially first-time homeowners. These included waivers and remissions on stamp duties, increased government allocation for affordable homes, as well as government guarantees on home loans had cumulatively supported the property market. This was in addition to market centric home ownership campaigns launched by property developers, which typically included various incentives and financing packages.

A further contributing factor was the relatively stable political conditions in 2023, which underpinned improving investor and business confidence, both domestic and foreign. Increased investor confidence provided the impetus for improved market sentiments, stronger retail and institutional spending, and public and private sector investments.

LBGB IN 2023

Against this backdrop, LBS Bina Group Berhad ("LBGB" or "the Group") continued to execute its business and operational strategies towards sustaining financial and non-financial value creation.

The Group looked to capitalise on the strong demand for affordable homes from a growing middle-income mass segment of primarily owner-occupiers as well as other property segments. The latter included upgraders and those looking for properties in niche areas such as Cameron Highlands and Genting Highlands. Together with development plans, LBGB also looked to manage

rising costs to ensure competitive pricing of launched products and to sustain earning margins.

While affordable homes formed the core of the Group's property launches, LBGB also looked to cater to new and fast growing niche segments, thereby introducing a degree of diversification into its property portfolio. Hence, 2023 also saw a mix of residential, commercial, and mixed-use developments brought to market. Notably, industrial properties have emerged as a key focus area for the Group in tandem with the rising demand for such properties in strategic locations nationwide.

LBGB looked to leverage locations where it has developed an established presence and seen strong market support. In response to market volatility, the Group looked to continue diversifying its property portfolio to include a mix of residential, commercial, industrial and mixed-use developments. Diversification mitigated risks associated with fluctuations in specific property segments towards ensuring a more balanced revenue stream.

Properties launched were in strategically located enclaves and suburbs typically between 20km-50km from the Kuala Lumpur city centre or within urban epicentres in fast growing towns such as Ipoh, Batu Pahat and the aforementioned Cameron Highlands, and others.

In 2023, the cumulative gross development value ("GDV") of properties launched by LBGB stood at RM1.67 billion. Confirmed sales for the financial year stood at RM1.7 billion, with up to RM1.99 billion in unbilled sales recorded for 2023. Average take-up rate for launched projects were 78% with several projects registering 100% sales during the financial year.

PROJECTS LAUNCHED IN 2023

PROJECTS	UNITS	GDV (MILLION)
Astella @ D' Island Residence	76	73
Bandar Putera Indah - Emerald Garden 3	26	11
Idaman Cahaya 1	568	162
Idaman Cahaya 2	872	232
Idaman Sari	513	146
KITA Bestari, KITA@Cybersouth	817	418
Pangsapuri Saujana Indah	595	260
Prestige Residence - Block B	725	313
SomerHomes	14	19
Taman Kinding Flora, Chemor	152	39
TOTAL	4,358	1,673

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's strong sales were attributed to its aforementioned strategy of building to meet real market demand; launching appropriately priced products at desired locations. This core strategy was supported by effective marketing and promotional campaigns that catered to the specific aspirations of prospective homeowners across the property buying demographic. This included primarily first time homeowners comprising young families, married couples, single professionals, upgraders, and various others.

Among the customer-centric marketing/loyalty programmes that were effective in driving sales was the LBS Perks & Plusses. Together with other marketing initiatives and branding engagements, the Group managed to attract sales and develop stronger customer relationships and brand affinity with the targeted demographic segment. In addition, collaboration with financial institutions have enabled LBGB to effectively address financial challenges faced by many buyers. The latter contributed to LBGB's overall ability to close sales.

FINANCIAL PERFORMANCE

INDICATOR		FY2023	FY2022	% CHANGE
Revenue	(RM'000)	1,829,631	1,723,857	6.14%
Administrative and operating expenses	(RM'000)	242,857	230,704	5.27%
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")	(RM'000)	359,460	323,789	11.02%
Profit before tax ("PBT")	(RM'000)	239,788	216,927	10.54%
Profit after tax ("PAT")	(RM'000)	159,423	137,515	15.93%
Profit after tax and non-controlling interests ("PATMI")	(RM'000)	140,977	128,539	9.68%
Finance costs	(RM'000)	66,642	59,521	11.96%
Total equity	(RM'000)	1,845,431	1,754,825	5.16%
Total assets	(RM'000)	4,270,422	4,165,330	2.52%
Total liabilities	(RM'000)	2,424,991	2,410,505	0.60%
Capital expenditure	(RM'000)	180,738	114,416	56.27%
Total borrowings	(RM'000)	768,223	917,239	-16.25%
Cash and cash equivalents	(RM'000)	554,829	261,531	112.15%
Debt to equity ratio		0.42	0.52	-19.23%
Basic earnings per share ("EPS")	(sen)	7.75	6.87	12.81%
Net assets per share	(RM)	0.95	0.89	6.74%
Market capitalisation	(RM'000)	885,502	652,011	35.81%
Dividends per ordinary share	(sen)	2.70*	2.45	10.20%
Dividend pay-out ratio to profits	(%)	34.80	35.66	-2.41%

Remarks:

- * First interim single-tier dividend of 1.35 sen per ordinary share has been declared by the Board of Directors on 17 April 2024 and to be paid on 16 July 2024.
- * Final single-tier dividend of 1.35 sen per ordinary share to be approved by shareholders at the forthcoming 24th Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Underpinned by strong property sales and increased development activities, notably from key development projects, LBGB in 2023, delivered revenue of RM1.83 billion, 6% higher year-on-year (2022: RM1.72 billion).

As in previous years, the property development segment was the largest contributor to Group revenues, accounting for 95.87% of total topline performance in 2023. In 2023, property development revenues grew by 6% year-on-year to reach RM1.75 billion (2022: RM1.65 billion). The topline performance marked LBGB's 3rd year of consecutive revenue growth. In 2023, 4,872 units of properties were completed with a total GDV of RM2.4 billion.

Development projects within the Klang Valley remained the largest revenue contributors - accounting for more than 89% of the Group's revenue for 2023. The increase in revenue was mainly attributable to the increased on-site development activities across on-going development projects.

In particular, key contributors are the key development projects at KITA @ Cybersouth, Bukit Jalil projects, LBS Alam Perdana, Idaman projects and Prestige Residence.

EARNINGS

On the back of growing revenues and continued efforts to improve cost efficiency, the Group's earnings had improved year-on-year. In 2023, profit before tax ("PBT") stood at RM240 million while profit after tax ("PAT") was recorded at RM159 million.

LBGB's property development division recorded PAT of RM150 million as compared to RM164 million in the previous financial year. The decrease was mainly due to higher administrative and operating expenses.

In 2023, efforts to improve the gross profit margin of all business divisions were emphasised. Notably, efforts to address exposure to volatility in raw material prices and construction costs were prioritised.

Beyond typical cost reduction measures, strategic efforts were focussed on supply chain and inventory management in mitigating rising material costs. Value engineering strategies were also employed in driving increased efficiency within the construction process.

LBGB further leveraged the Industrial Building Systems ("IBS") and Building Information Modelling ("BIM") capabilities of MGB towards yielding increased efficiency in raw material consumption, reducing wastages, and expediting construction works and completion of projects. These and other initiatives have enabled a measured and effective response in supporting earnings margins, while enabling competitive price points to remain attractive to the middle income mass segment of property buyers.

While conventional sales and marketing channels remained an essential part of the customer acquisition strategy, 2023 saw increased use of digital/online marketing mediums and platforms. Technology has been pivotal in expanding the marketing and customer engagement possibilities, facilitating segmentation of messaging, personalised/customised marketing, and the development of stronger customer relationships, all of which have contributed to the burgeoning sales funnels in 2023.

The use of such technology driven approaches continued to yield results in not just expanding the Group's reach and marketing impact to a larger demographic market segment, but also in enabling improved cost efficiencies.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL HIGHLIGHTS – PROPERTY

As at 31 December 2023, LBGB has 19 ongoing projects at varying stages of progress with a cumulative GDV of RM5 billion.

ONGOING PROJECT	TOTAL	
	UNITS	GDV (RM MILLION)
D' Island (Bungalow and Astella)	81	81
Idaman BSP	1,312	375
LBS Alam Perdana (Melodi Perdana and Ritma Perdana)	1,793	864
KITA @ LBS CyberSouth (KITA Mekar, KITA Mesra, KITA Bestari, KITA Sejati)	3,679	1,701
Prestige Residence	1,450	617
BPI Emerald Garden 3	79	32
Chemor, Perak, Taman Kinding Flora	216	57
Cameron Highlands (Bungalow lots and SomerHomes)	38	42
Idaman Melur	1,448	414
Idaman Cahaya (Cahaya 1 Cahaya 2)	1440	410
Idaman Sari	513	146
Pangsapuri Saujana Indah	595	260

In 2023, delivery of vacant possession units surged by 65%, reaching 4,872 units with RM2.4 billion in equivalent value.

LANDBANK

As at 31 December 2023, LBGB's landbank stands at 2,767 acres located nationwide with a GDV of RM33 billion. Land parcels are strategically located to support the Group's future property development launches and are sufficient to meet both near and medium term development requirements. If opportunities arise to acquire strategic parcels near or in the vicinity of LBGB's existing property developments, the Group retains sufficient capital to execute any land acquisition plans. Unproductive landbanks may also be disposed towards unlocking fair value gains, and to generate cash to fund project launches and development activities.

OPERATIONAL HIGHLIGHTS – CONSTRUCTION AND TRADING

LBGB's construction arm consists of the Group subsidiary, MGB Berhad ("MGB"). 2023 saw a continued strong momentum in construction activities underpinned by a revival of government-driven projects propelled by expansionary fiscal spending and a rise in private sector projects. The industry achieved a robust 8.4% year-on-year growth with total value of work done rising to RM132.2 billion (2022: RM121.9 billion). The construction sector has recorded seven consecutive quarters of positive growth stretching back to the second quarter of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry growth was primarily driven by the Civil Engineering subsector, which registered growth of 8.5%, followed by the residential and non-residential construction sectors with growth of 3.7% and 3.1% respectively.

Despite the positive momentum, the industry continued to be impacted by rising costs of materials as well as supply chain disruptions. The latter included the acute lack of trucks to supply construction materials. The crunch in skilled and manual labour supply experienced in previous years due to the government-imposed freeze on foreign labour recruitment was eased with the relaxation of the existing restrictions. However, the cost of labour continued to increase substantially.

For 2023, the construction and trading segment achieved revenue and PAT of RM857 million and RM36 million respectively as compared to revenue of RM589 million and PAT of RM13 million in the 2022.

The revenue and PAT were primarily contributed from in-house projects. The increase in revenue and PAT were mainly due to improvement in the progress of construction activities and cost optimisation.

As prior mentioned on page 57, MGB's distinctive IBS and BIM enabled capabilities continued to effectively support LBGB in ensuring the timely completion of all development projects, in some cases enabling early completion and vacant possession to buyers. All projects completed during the year continued to register a commendable QLASSIC score, attesting to the overall build quality of MGB's projects in 2023.

Aside from LBGB's property development projects, MGB also undertook construction works on external projects. MGB continues to enhance its IBS and BIM capabilities towards yielding improved efficiencies in the design and build process. MGB as at 31 December 2023, has built up its order book to the tune of RM1.14 billion, which provides revenue visibility going forward. Specific information on MGB's fiscal, business and operational performance, including outlook and prospects are provided in the MGB Berhad Integrated Annual Report 2023.

MOTOR RACING CIRCUIT



LBGB owns and operates the Zhuhai Motor Racing Circuit "Zhuhai International Circuit" or "ZIC" located in Zhuhai City, Guangdong Province, China. ZIC is a joint venture project between LBGB and local partner, Zhuhai Jiuzhou Group Holdings Limited, an investment arm of the Zhuhai City's government.

The circuit business continued to recover in 2023, after the COVID-19 lockdown imposed by government authorities in 2022. With the pandemic well curtailed in 2022, 2023 saw a progressive revival of racing and other automotive related events and activities at ZIC. As in previous years, the track continued to become a focal point for local and international racing events. In 2023, among the events held was Festival of Wheels.

2023 also saw significant change in strategy consistent with LBGB's increasing focus on ESG. The financial year saw the participation of BYD, China's leading electric vehicle ("EV") manufacturer in several notable events held at the track.

The decision to venture beyond conventional racing and motor circuit activities enhances the role of ZIC towards tapping a larger market within the China automotive sector, including the country's burgeoning EV sector. In 2023, Zhuhai hosted several non-racing automotive events including car shows and exhibitions that continued to draw both renowned manufacturers and the public at large.

For 2023, the Motor Racing Circuit segment recorded revenue of RM23 million and loss after tax ("LAT") of RM8 million as compared to revenue of RM15 million and LAT of RM9 million in 2022. The improvement in revenue and LAT were mainly due to higher income from racing and corporate day events.

MANAGEMENT DISCUSSION AND ANALYSIS

HOTEL

LBGB's hotel business division comprises the ownership and operations of SCAPES Hotel, located in Genting Highlands, Pahang. The 176-room hotel is strategically located close to a wide range of tourist attractions in Genting Highlands.

For 2023, Hotel operations recorded revenue of RM10 million and LAT of RM4 million as compared to revenue of RM11 million and LAT of RM3 million in the 2022. The decrease in revenue and higher LAT were attributed to lower room occupancy and average daily rates.

MANAGEMENT AND INVESTMENT

The Group's management and investment segment comprises investment holding and provision of management services. This segment achieved revenue and LAT of RM135 million and RM11 million respectively as compared to revenue of RM125 million and LAT of RM21 million in 2022.

The improvement in revenue and LAT were mainly due to higher intra-group income from project management fees and interest income.

OTHERS

The Group's others segment mainly comprises car park management, retail mall operations, provision of financial and credit services, rental form properties investment and management.

This includes the ownership and operations of the M3 Mall, located in Taman Melati, Kuala Lumpur.

In 2023, M3 Mall's occupancy rate was 100% (2022: 52.6%). The mall continued to cater to the local population as well as surrounding areas and remains a focal point for the community, meeting the retail, food and beverage, leisure, and recreational requirements of locals.

In 2023, revenues generated from rental stood at RM8.6 million, (2022: RM7.4 million), reflecting a 16% improvement year-on-year. Mall management continues to support retail tenants through the organisation of various promotional and cultural events and festivities throughout the year to attract visitors.

These segments saw a significant increase in revenue from RM45 million in FY2022 to RM67 million in FY2023, and there is a reduction in LAT to RM3.7 million in 2023 from RM5.9 million in 2022. This is mainly due to higher intra-group interest income from treasury management services, as well as increase in rental and car park income.

OPERATIONAL HIGHLIGHTS – OTHERS

On 14 November 2023, LBGB successfully lodged a Sukuk Wakalah Programme of up to RM750.0 million in nominal value with the Securities Commission Malaysia ("SC") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

LBGB's Islamic medium notes provides an additional fund raising option for LBGB. LBGB has successfully issued its first tranche of ASEAN Social SRI Sukuk Wakalah of RM200.0 million in nominal value on 23 January 2024 and had achieved an oversubscription rate of 6.4 times with an order book of approximately RM1.276 billion. The positive response from the capital market attests to overall investor interest and confidence in LBGB. LBGB is the first real estate developer in Malaysia to issue an ASEAN Social SRI Sukuk Wakalah with its proceeds to be tagged to affordable housing which aligns with LBGB's aspirations to support home ownership through the development of affordable homes.

The proceeds raised from the Sukuk issuance will primarily be allocated to eligible projects that align with LBGB's Sustainability Financing Framework that has been established alongside the Sukuk programme. In the inaugural issuance, our focus centers on Social Projects, specifically within the domains of Affordable Housing and Socioeconomic Advancement and Empowerment.

OUTLOOK AND PROSPECTS

Headwinds from the global macro-economic environment is expected to persist going into 2024 as the world continues to find a new equilibrium between a confluence of external market forces. Geopolitical conflicts, trade tensions, an evolving energy sector, continued moderation in economic growth, supply chain disruptions, and a high interest rate environment are likely to have a continued ripple effect on global and domestic economic growth.

As evident on 21 February 2024, the Ringgit Malaysia slipped to a 26-year low against the US Dollar as the local currency slid past the RM4.8 mark, close to the all-time low of 4.8850 recorded in 1998 during the Asian Financial crisis. A weaker ringgit would equate to higher import costs, especially for raw materials and other items sourced from overseas.

MANAGEMENT DISCUSSION AND ANALYSIS

Ongoing conflicts such as the prolonged Ukraine-Russia war and trade tensions between US and China would also reverberate well into 2024, affecting the performance of economies.

It is possible that continued moderating economic growth may impact consumer expenditure and investor confidence. Malaysia's gross development product ("GDP") growth is forecasted to moderate further as the nation continues to navigate a path amidst a challenging external operating environment.

However, the traditional resilience of brick and mortar industries such as construction and property development will be expected to remain robust, underpinned by strong pent-up demand from the middle-income, mass market segment. Though buyers' ability to purchase may to a certain degree be impacted by prevailing economic conditions, on the whole, demand for market oriented properties, affordably priced in strategic locations will continue to see strong traction.

Aside from the residential segment, industrial properties also continue to see strong demand, driven by the rise of several industries. These include the e-fulfilment and logistics subsectors that have seen burgeoning growth on the back of continued surge in online purchase and delivery services.

The ongoing China-US trade tensions has led to many companies, particularly manufacturing firms to relocate operations from China to other locations such as Malaysia to circumvent the US imposed trade barriers on China made products. This has also spurred the growth of Malaysia's industrial property segment.

Other positives include the increased allocation to RM10 billion under the Housing Credit Guarantee Scheme ("HCGS"), announced under Budget 2024 to assist prospective homeowners facing difficulties securing financing. The increased allocation is expected to assist up to 40,000 homeowners and this would serve to bridge the present homeownership gap faced by many buyers, particularly, first-time buyers looking for affordable residential properties.

FUTURE ORIENTATION AND STRATEGIC PRIORITIES

In essence, LBGB adopts a view of cautious optimism going into 2024. While demand for properties should remain stable, potential challenges such as rising material and labour costs, climate change, supply chain issues, and diminished consumer spending power may persist into the financial year.

Management is cognisant of these risks and challenges and shall continue to adopt the necessary strategic measures towards ensuring continued effective execution of its business model to achieve financial and business objectives, and to sustain value creation for stakeholders.

Continued growth hinges on navigating economic uncertainties, embracing sustainability, and adapting to evolving market dynamics. These, cumulatively will enable LBGB to remain resilient and maintain a growth trajectory in the face of perennial and potential challenges. Supported by unbilled sales of RM1.99 billion, the Group remains positive, though cautious with regard to its outlook in 2024.

Specific strategic approaches include further implementation of agile project planning, focusing on the timing of product launches to market, remaining customer-centric in terms of design and development plans, as well as marketing and promotional campaigns, maintaining financial prudence, and remaining ESG focused.

LBGB shall continue to adopt a customer-centric approach towards strengthening its existing insights of market preferences. Beyond matters of affordability and financing, LBGB intends to further hone its understanding of evolving consumer behaviour, and desires, which are influenced by socio-demographic factors. The Group will continue to develop more market-oriented products going forward.

2024 will see LBGB bring to market over 10 new properties via launches nationwide, with a cumulative GDV of RM2.33 billion. The Group aims to navigate market dynamics by diversifying our property portfolio, spanning various property types and geographic locations to effectively mitigate risks associated with market fluctuations.

MANAGEMENT DISCUSSION AND ANALYSIS

2024 FORECAST PROJECT LAUNCHES

REGION	UNITS	GDV (RM' MILLION)
Klang Valley	2,960	1,142
Johor	456	220
Pahang	1,442	971
	4,858	2,333

The Klang Valley shall remain a notable contributor to the Group's sales with the launch of 2,960 units in 2024 with an estimated GDV of RM1.14 billion.

The new launches cater to the affordable market segment as well as other market segments, including the development of industrial properties. The Group will largely focus on proven locations, where demand has been resilient, providing properties that are aligned to meeting real market demand.

Affordable homes and supporting home ownership remains a core value creation attribute of LBGB. This is reflected in the Group's Idaman project where another 1461 units will be launched. Idaman Homes is a collaborative effort with the Selangor State Government to address the issue of home ownership in the state. Idaman sees LBGB providing affordable, quality homes targeted at the lower- and middle-income members of the community with more than 58,900 homes being built by LBGB by the end of 2025. Presently, LBGB has developed more than 61,400 properties.

The value of Idaman is enabling a large segment of the population to attain homeownership status and enjoy the various benefits derived from owning one's own home. Beyond a roof over their heads, this includes capital appreciation, community interaction, enhanced quality of life, and more.

As of 31 December 2023, the Group's substantial landbank covers approximately 2,767 acres, ensuring a strategic reserve for the next 10 to 15 years.

Continued focus will be placed on project management to address rising costs and to ensure the quality of developed properties. LBGB, will continue to invest in technology, to facilitate improved project management and operational efficiency. The business is strategically addressing identified performance gaps by prioritising



operational efficiency through the adoption of digital tools, i.e. upscaling of IBS and leveraging BIM. Technological integration enhances operational efficiency, enabling us to adapt quickly to market dynamics.

Beyond design and build, increased considerations will be placed on other aspects of property development. This includes placemaking, fostering community relations, provision of infrastructure and amenities, and contributing towards nation-building objectives.

The focus of social value creation and environmental preservation are consistent with LBGB's continued emphasis and commitment to integrating sustainability within its business model. The goal or purpose of sustainability is not merely an extension of corporate social responsibility ("CSR") strategies, but is purposefully designed to address the need to deliver social, human and environmental values that would ultimately bolster market competitiveness.

The changes implemented in our business and operational strategies, resource allocation, and consumption of resources are designed to fortify the resilience and value-creating ability of the Group across short, medium, and long-term perspectives. Notably in the medium term, the emphasis on sustainability aligns with evolving market trends, positioning LBGB as a responsible player that creates and sustains enduring value.

LBGB will continue to ensure sustained value creation based on the Group's core pillars of Affordability, Connectivity, and Community.

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

		2019 ¹	2020 ²	2021	2022	2023
Revenue	(RM'000)	1,325,260	1,096,331	1,365,757	1,723,857	1,829,631
Profit before tax	(RM'000)	154,065	123,037	176,808	216,927	239,788
Profit after tax and non-controlling interests	(RM'000)	67,511	43,741	95,619	128,539	140,977
Share capital	(RM'000)	922,473	922,887	922,887	922,887	922,887
Equity attributable to owners of the parent	(RM'000)	1,348,655	1,291,594	1,307,866	1,378,741	1,455,621
Basic earnings per share	(sen)	3.93	2.15	5.16	6.87	7.75
Gross dividend per share						
- ordinary share	(sen)	- #	1.45	1.85	2.45	2.70 *
- redeemable convertible preference shares ("RCPS")	(sen)	6.60	6.60	6.60	6.60	6.60
Net assets per share	(sen)	87.25	82.71	83.80	88.81	94.52

Remarks

- The comparative figures have not been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.
 - The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.
- # Share dividend distribution on the basis of 3 treasury shares for every 100 existing ordinary shares held, fractions of treasury shares were disregarded.
- * First interim single-tier dividend of 1.35 sen per ordinary share has been declared by the Board of Directors on 17 April 2024 and to be paid on 16 July 2024.
- * Final single-tier dividend of 1.35 sen per ordinary share to be approved by shareholders at the forthcoming 24th Annual General Meeting.

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 DECEMBER 2023

FIRST QUARTER
ended
31 March 2023

**Announcement
of Quarterly Results:**

25 MAY 2023

SECOND QUARTER
ended
30 June 2023

**Announcement
of Quarterly Results:**

21 AUGUST 2023

THIRD QUARTER
ended
30 September 2023

**Announcement
of Quarterly Results:**

21 NOVEMBER 2023

FOURTH QUARTER
ended
31 December 2023

**Announcement
of Quarterly Results:**

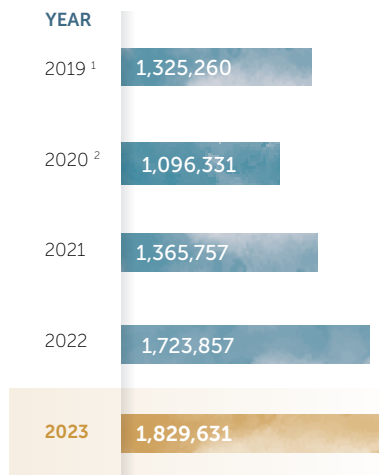
21 FEBRUARY 2024

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER

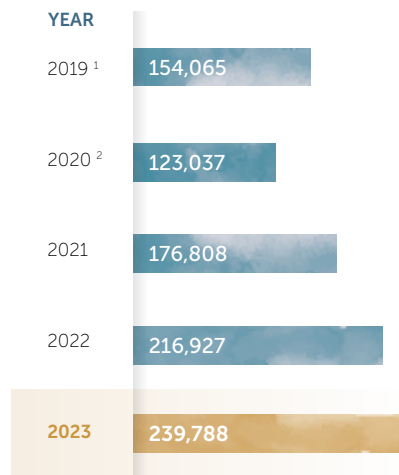
REVENUE

(RM'000)



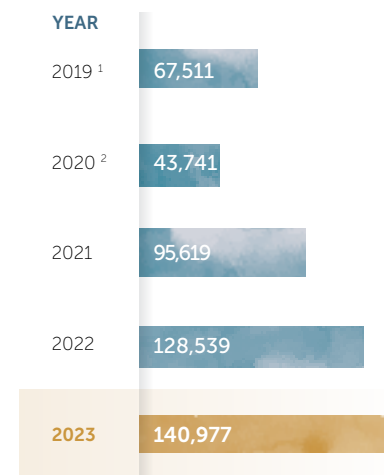
PROFIT BEFORE TAX

(RM'000)



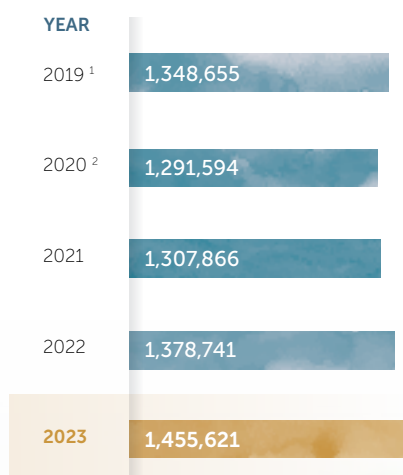
PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS

(RM'000)



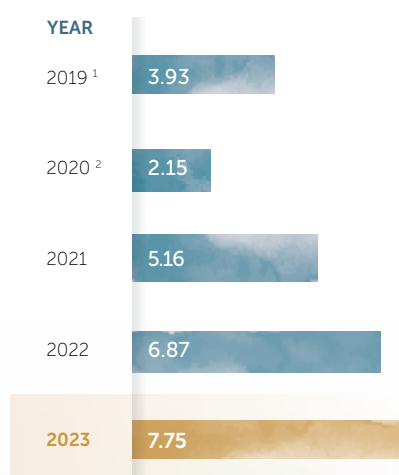
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

(RM'000)



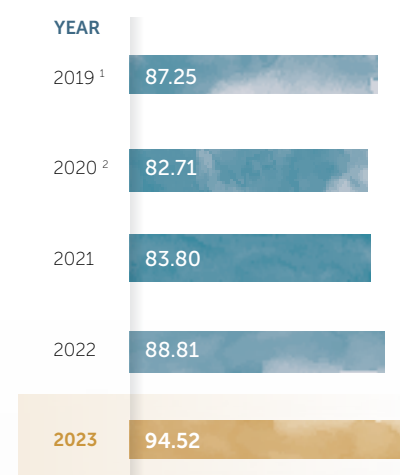
BASIC EARNINGS PER SHARE

(SEN)



NET ASSETS PER SHARE

(SEN)



STATEMENT OF VALUE ADDED DISTRIBUTION & SIMPLIFIED FINANCIAL STATEMENT

LBGB presents its Value Added Distribution & Simplified Financial Statement towards demonstrating how the Group through its business model has created a wide range of direct and indirect financial values for stakeholders. The statement presents a concise and condensed view of financial performance, as well as how financial capital created has resulted in positive outputs and outcomes for the Group's stakeholders.

ITEM	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000
VALUE CREATED AND DISTRIBUTED			
Economic value generated	1,379,594	1,742,739	1,853,264
Economic value distributed	1,301,569	1,678,881	1,767,991
Operating costs	1,044,339	1,367,403	1,425,039
Community investments	1,359	1,576	2,968
Employee salaries and benefits	83,747	101,249	118,647
Corporate taxation	72,939	98,880	95,521
Finance costs	61,490	59,521	66,642
Dividend expenses	28,855	35,059	43,953
Distribution to holders of Perpetual Sukuk	8,840	15,193	15,221
Economic value retained	78,025	63,858	85,273
SIMPLIFIED STATEMENT OF ASSETS			
Property, plant and equipment	50,588	44,228	53,820
Right-of-use assets	372,537	349,550	351,854
Investment properties	162,142	191,822	189,824
Deferred tax assets	58,571	75,611	88,872
Trade and other receivables	605,339	552,673	455,208
Deposits, cash and bank balance	282,753	365,111	707,662
Inventories - property development costs	1,909,217	1,716,236	1,768,182
Inventories - completed properties and others	236,337	122,703	95,659
SIMPLIFIED STATEMENT OF LIABILITIES AND SHAREHOLDERS' EQUITY			
Total debts	1,081,261	917,329	768,223
Share capital	922,887	922,887	922,887
Trade and other payables	1,532,360	1,395,980*	1,587,359
Deferred tax liabilities	39,515	35,957	34,944
Retained earnings	590,474	672,930	754,733
Other reserves	(202,304)	(210,418)	(210,083)

Remarks

* Readjustment made to figure



SECTION 5

Our Commitment to Good Governance

- 83** Corporate Governance Overview Statement
- 105** Audit Committee Report
- 109** Statement on Risk Management and Internal Control
- 114** Recurrent Related Party Transaction

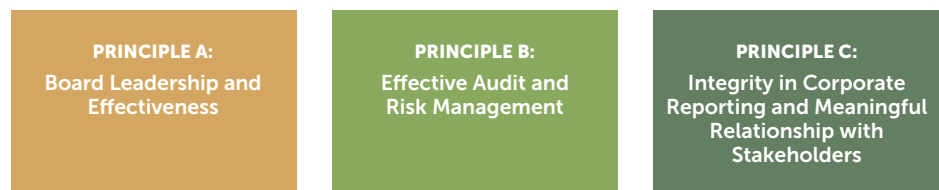
CORPORATE GOVERNANCE OVERVIEW STATEMENT

Good corporate governance is an essential ingredient to the cultural and operational transformation that has, and continues, to take place within the Group.

The Board recognises the value and importance of good corporate governance and the role it plays in supporting the long-term success and sustainability of the business. This Corporate Governance Overview Statement provides vital insights into the corporate governance practices of the Group, guided by the updated principles and best practices as set out in the Malaysian Code on Corporate Governance 2021 published by the Securities Commission of Malaysia in April 2021 (“MCCG 2021”).

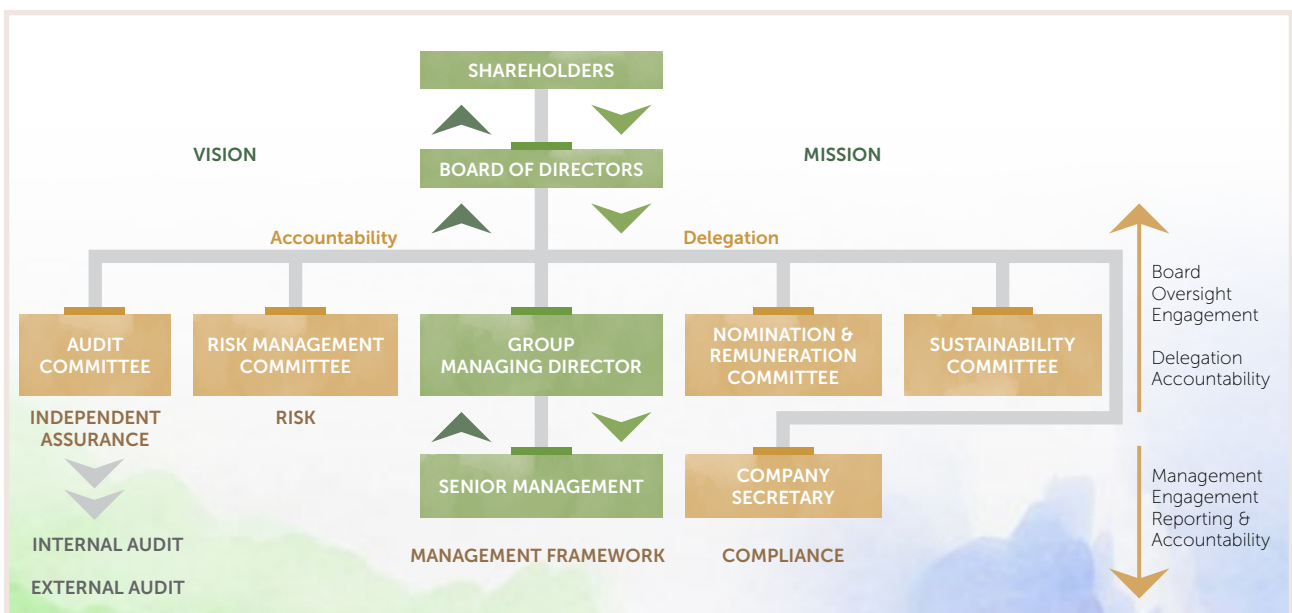
- FRAMEWORKS APPLIED**
- MCCG 2021**
 - Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”);**
 - Corporate Governance Guide 4th Edition issued by Bursa Malaysia**
 - Companies Act, 2016**

Pursuant to Bursa Malaysia’s corporate governance disclosure requirements as per Paragraph 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 2023 (“FY2023”) in this Corporate Governance Overview Statement (“CG Overview Statement”), which provides an overview of how LBGB has applied the following three (3) principles as set out in the MCCG 2021:



In addition to this, the application of each of the Practices set out in the MCCG 2021 is disclosed in our standalone CGR2023 which is available on the Group’s corporate website at www.lbs.com.my and within an announcement made by the Company on the website of Bursa Malaysia at www.bursamalaysia.com. The CGR2023 provides specific disclosure on how LBGB has applied to each corporate governance practice outlined in the MCCG 2021.

GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Responsibilities of the Board

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

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

- To formulate and evaluate the strategic plans and direction of the Group to support long-term value creation, including strategies on economic, environmental, and social considerations underpinning sustainability;
- To ensure the necessary resources are in place for the Group to meet its objectives and strategic plans; lead and monitor management performance in implementing the strategic plans;
- To oversee the conduct of the Group's businesses, and financial and non-financial performance;
- To identify principal risks affecting the Group, setting the risk appetites, and to ensure the implementation of appropriate internal controls and mitigation measures;
- To promote good corporate governance culture together with Senior Management within the Group, which reinforces ethical, accountable and professional behaviour;
- To review, challenge and decide on Management's proposals for the Group, and monitor its implementation;
- To establish and review training programmes and succession planning to the Board, and to ensure all candidates appointed to Senior Management positions are of sufficient calibre;
- To approve any changes of corporate organisation structure plan; as well as consenting to new investments or divestments both locally or abroad;
- To oversee the development and implementation of stakeholders communication policy for the Group; and
- To review the adequacy and the integrity of the Group's management information and internal control system.

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

In ensuring a proper balance of power and authority, the positions of the Chairman and Group Managing Director/ Chief Executive Officer ("GMD/CEO") are held by different individuals. The clear division of the roles and responsibilities of Chairman and GMD/CEO are as below:

Roles of the Chairman

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Roles of the GMD/CEO

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

The specific responsibilities of the GMD/CEO include:-

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

Meeting Materials and Supply of Information

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

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

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

Presentations on major proposals are made at meetings of the Board and Board Committees in a clear manner, with adequate information on the subject matter which is delivered. All Directors have the right and duty to make further enquiries where they consider necessary. Members of the Key Senior Management 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 Secretary is responsible for ensuring notices of meetings are sent to the Directors at least five clear days in advance. The Company Secretary 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

When necessary, the Board members may seek external professional advice, whether as a full Board member 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 Secretary, who attends each Board Meeting plays an important role in ensuring that proper Board procedures are adhered to at all times during the meetings. She advises the Board on matters such as corporate governance requirements and Directors' responsibilities in complying with relevant legislation and regulations. The Board was updated by the Company Secretary on matters pertaining to new regulations or requirements concerning Directors' duties and responsibilities. These updates were mainly on the amendments to the MMLR of Bursa Malaysia and the Companies Act, 2016.

Qualified Company Secretary

The Company Secretary of the Group is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators, and is a qualified Chartered Secretary under Section 235(2) of the Companies Act, 2016.

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

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

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

Board Charter

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

- Review, discuss and approve corporate strategies, plans, targets, and programmes proposed by Management prior to their implementation and execution;
- Material investments and divestments, mergers and acquisitions, corporate restructuring both locally and abroad;
- Appointment of new Directors, Board Committee members, Managing Director, Chief Executive Officer, Company Secretary and other Senior Management positions based on the recommendations of the Nomination and Remuneration Committee;
- Annual financial statements and the quarterly financial results prior to releasing to Bursa Malaysia;
- Material related party transactions and conflict of interest;
- Declaration of dividend and approving dividend policy;
- Appointment of external auditors; and
- Capital financing.

Formalised Ethical Standards through Code of Ethics

LBGB maintains a zero-tolerance policy towards bribery, corruption, and money laundering across all its operations. The Group is dedicated to adhering strictly to all laws and regulations governing its business activities, ensuring they are conducted with the highest standards of ethical conduct and integrity. This commitment extends to all stakeholders in various business dealings and transactions, and our policies and procedures outline the standards expected of all employees.

LBGB is committed to conduct its business ethically and in compliance with all applicable laws and regulations in each country and/or jurisdiction that it conducts its business in, including but not limited to Malaysian Anti-Corruption Commission Act 2009, Malaysian Penal Code (revised 1977) (and its amendments), Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and the Companies Act, 2016 or such other applicable laws in each respective country and/or jurisdiction.

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 2021, has also adopted its own Directors' Code of Ethics with the twelve (12) principals as follows:

1. To observe high standards of Corporate Governance
2. To devote sufficient time and effort
3. To avoid conflict of interest
4. To avoid misuse of position and information
5. To ensure integrity of records
6. To ensure confidentiality of communications and transactions
7. To ensure compliance with applicable laws
8. To demonstrate openness and timeliness of communication
9. To exercise duties and act honestly in the best interest of the Company
10. To uphold accountability
11. To maintain positive relationship with shareholders, employees, creditors and customers
12. Corporate Social Responsibility

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Business Ethics for Directors and Employees

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

Board Committees

In order to enhance business and corporate efficiency and effectiveness, the Board delegates specific responsibilities to the respective committees of the Board.

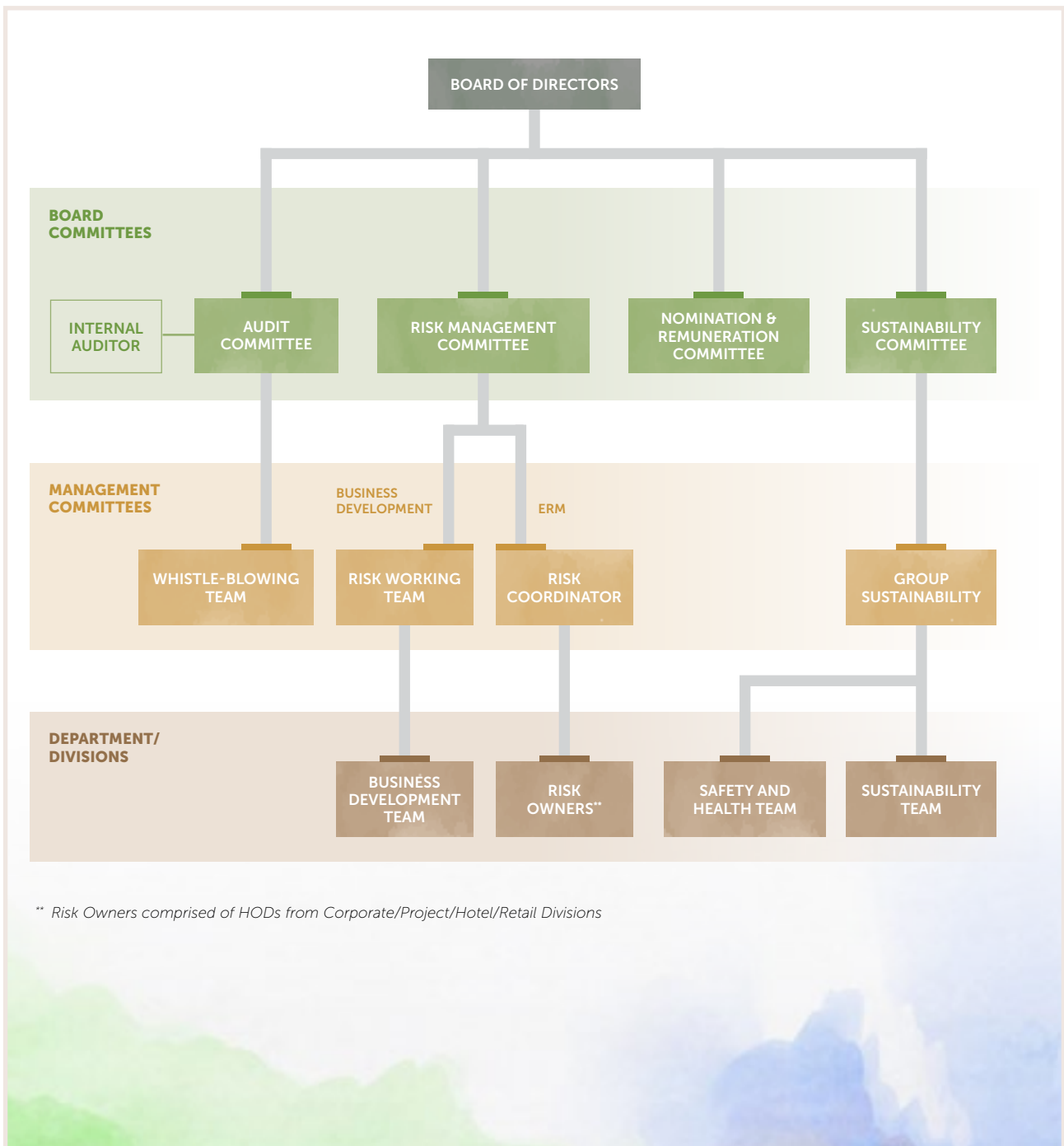
BOARD COMMITTEE	ROLES AND RESPONSIBILITIES
AUDIT COMMITTEE ("AC")	<ul style="list-style-type: none"> - Providing oversight on the Group's financial reporting, disclosure, regulatory compliance, and risk management. - Monitoring of internal control processes within the Group. - Reviewing the quarterly results and full year financial statements. - Reviewing the audit reports pertaining to the risk management and internal controls. - Reviewing related party transactions and conflict of interests.
NOMINATION AND REMUNERATION COMMITTEE ("NRC")	<ul style="list-style-type: none"> - Reviewing the procedures for appointment of Directors and Senior Management personnel of the Group. - Reviewing the remuneration package. - Annual review of the required mix of skills, knowledge and experience, and other qualification of the Board members. - Examine size of the Board with the optimum number of Directors on the Board to ensure its effectiveness.
RISK MANAGEMENT COMMITTEE ("RMC")	<ul style="list-style-type: none"> - Identifying, evaluating, monitoring, and reporting of risk areas. - Providing control measures, recommendations, and management action plans to mitigate such risks through periodic meetings and updates to the AC on a regular basis. - Ensure that the integrated risk management functions within the Group are effectively discharged.
SUSTAINABILITY COMMITTEE ("SC")	<ul style="list-style-type: none"> - Providing oversight on the sustainability strategy, encompassing economic, environmental, social and governance aspects, including climate change and occupational safety, health, and environment matters. - Providing advice and recommendations on sustainability strategies and policies for the Board's approval, and monitoring their implementation on quarterly basis.

The terms of reference of the Board Committees are available on the Group's website at <https://lbs.com.my/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The chairman of the each Board Committee will provide a briefing to the full Board on the matters discussed during the Committee’s meetings. Minutes of these meetings will be circulated to all the Board members. All Board Committees operate within their clearly defined Terms of Reference and operating procedures. Reports of their proceedings and deliberations, along with any recommendations are submitted to the Board for consideration. Ultimately, the responsibility for decision making rests with the Board.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Boardroom Diversity

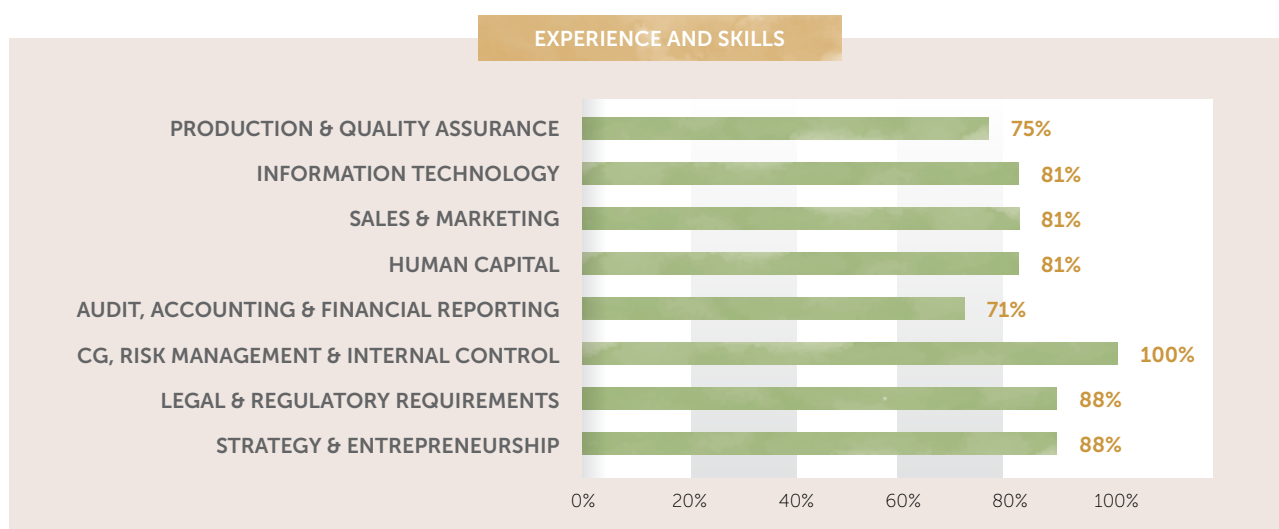
The Board has in place a Board Diversity Policy which sets out the approaches approved by the Company to achieve diversity of the Board. Under this policy, the Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity within the Board as an essential element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

The appointment of Board members will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity within the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, ethnicity, age, skills, regional and industry experience and exposure, cultural and educational background, as well as professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Company does not set any specific target for female Directors or Key Senior Management; however, it will actively work towards having more female members on the Board and the Key Senior Management. 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 Senior Management appointments, Board performance evaluation and succession planning processes.

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

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



A brief profile of each director is presented in the "Directors' Profile" section of this Integrated Annual Report 2023. Further detail of the Board diversity is presented in the Sustainability Report 2023 of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION

The Board presently has eight (8) members comprising four (4) Independent Non-Executive Directors ("INEDs") and four (4) Non-Independent Executive Directors led by the Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San as the Group Executive Chairman.

Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail were appointed as INEDs on 18 April 2023 replacing Datuk Dr. Haji Baharum Bin Haji Mohamed and Datuk Lim Si Cheng who retired on the same date.

With these appointments, the INEDs were maintained at 50% of the Board, and 37.5% of the Board members are women directors. These figures are in line with recommended best practice, which suggests that at least half of the Board shall comprise independent directors and at least 30% of the total Board members are women directors.

The Board also recognises the pivotal role of the INEDs 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 "Board Appointment Process" with regards to maintaining a formal and transparent process for Board appointments. The NRC assists the Board in ensuring the existence of the right mixture of skills, knowledge, experiences, qualities, gender, personal attributes, among other criteria that are relevant and contribute to the effective functioning of the Board. The NRC will perform initial process of review and selection of candidates identified for appointment to the Board. The ultimate decision on the appointment of a new Director lies with the Board as a whole.

The NRC utilises various resources, including Directors' network, Management's recommendations, independent professional services and industry database to identify potential candidates for directorship. These candidates undergo a thorough assessment to evaluate their skills, competencies, experience, integrity, availability, and other relevant factors to ensure they can effectively fulfil the responsibilities of a director. Only after this assessment are potential candidates recommended to the Board for consideration and approval.

Furthermore, the NRC considers the diversity of the Board's composition including, gender, ethnicity, age, cultural background, among other factors, in the board appointment process. This ensures that the Board reflects a diverse range of perspectives and experiences, which can enhance its effectiveness and decision-making capabilities.

In early 2023, the NRC initiated a search for suitable candidates to fill two vacancies for Independent Directors, as the incumbents had reached their nine-year tenure limit. One of the key selection criteria was the gender and integrity, along with integrity, independency and board experience. To assist in selection, an independent consultancy firm was engaged to source potential candidates.

Upon the recommendation of NRC, Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail were appointed as the new INEDs, following a thorough assessment of their qualifications and alignment with the desired criteria. Their appointments have not only strengthened the Board's composition but also improved its gender diversity, in line with the strategy to enhance governance structure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 three (3) Directors seeking for re-election at the forthcoming 24th AGM are disclosed in the Notice of AGM. The Board, on the recommendation of the NRC, and with retiring Directors abstaining, have endorsed the re-election of the retiring Directors.

Tenure of Independent Directors

In accordance with the Board Charter, the tenure of service of Independent Directors is capped at the maximum limit of nine (9) years as recommended by the MCCG 2021. Upon completion of a nine-year term, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director and subject to shareholders' approval. Two of the INEDs tenure have exceeded a cumulative term of nine (9) years in FY2023.

On 18 April 2023, Datuk Dr. Haji Baharum Bin Haji Mohamed and Datuk Lim Si Cheng who have served the Board for nine (9) years, have retired as INEDs.

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 eight (8) Board members are Independent Directors. The Board assesses 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 INED of the Company. On 18 April 2023, Datuk Dr. Haji Baharum Bin Haji Mohamed retired from the Board and stepped down from his role as NRC's Chair and Dato' Lim Han Boon was appointed as Senior INED of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 AC, the NRC has assessed each Director's contribution to the effectiveness of the Board. The assessment parameters include their attendance record, contributions to interaction, the quality of their input, and their understanding of their roles.

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

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

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 23rd 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 INEDs; and
- (g) Assisted the Board to identify training needs and facilitate the training and development to ensure they are adequately updated with the latest developments in carrying out their responsibilities as a Director.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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, briefings, and dinners organised by the Company.

Board and Committees Meetings Attendance

DIRECTORS	NO. OF MEETINGS HELD				
	BOARD	AC	NRC	RC	SC
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San (Group Executive Chairman)	6/6	–	–	–	4/4
Datuk Wira Lim Hock Guan (GMD/CEO)	6/6	–	–	–	4/4
Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director)	6/6	–	–	2/2	–
Dato' Lim Mooi Pang (Executive Director)	6/6	–	–	2/2	4/4
Datuk Dr. Haji Baharum Bin Haji Mohamed[*] (Senior INED)	2/2	2/2	3/3	–	–
Datuk Lim Si Cheng[^] (INED)	2/2	2/2	3/3	–	–
Dato' Lim Han Boon (Senior INED)	6/6	5/5	–	2/2	4/4
Dato' Yong Lei Choo (INED)	6/6	–	3/3	2/2	4/4
Dato' Aminudin Zaki Bin Hashim[*] (INED)	4/4	3/3	–	2/2	–
Nuraini Binti Ismail[*] (INED)	4/4	3/3	–	–	2/2
Total number of meetings held during FY2023	6	5	3	2	4

* appointed to the Board on 18 April 2023.

[^] retired from the Board on 18 April 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

Directors' Training and Induction

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

The Company Secretary 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 the Management. The programme also includes a briefing by the Company Secretary on the Board processes, internal controls and governance practices; and critical areas of the Company's operations by Key Senior Management.

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

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

NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
TAN SRI DATO' SRI IR. (DR.) LIM HOCK SAN		
1	14.09.2023	Detecting and Deterring Financial Statement Fraud
2	08 & 09.11.2023	Mandatory Accreditation Programme Part II
3	21.12.2023	Budget 2024
4	29.12.2023	E-Learning – First Aid, CPR & AED Awareness E-Learning – Human Rights Awareness
DATUK WIRA LIM HOCK GUAN		
1	14.09.2023	Detecting and Deterring Financial Statement Fraud
2	21.12.2023	Budget 2024
3	29.12.2023	E-Learning – First Aid, CPR & AED Awareness E-Learning – Human Rights Awareness

CORPORATE GOVERNANCE OVERVIEW STATEMENT

NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
MAJ (HON) DATO' SRI LIM HOCK SING		
1	14.09.2023	Detecting and Deterring Financial Statement Fraud
2	21.12.2023	Budget 2024
3	29.12.2023	E-Learning – First Aid, CPR & AED Awareness E-Learning – Human Rights Awareness
DATO' LIM MOOI PANG		
1	13.02.2023	Powering Talent Practices with Artificial Intelligence: Creating Sustainable Value for Organisations & Employees by Bursa Malaysia Berhad
2	03.08.2023	The Digital Future: How AI, Data and Modern Work are Revolutionising the Operational Framework
3	03.08.2023	Best Managed Companies Symposium 2023 in Bangkok, Thailand
4	22 & 23.08.2023	Mandatory Accreditation Programme Part II
5	14.09.2023	Detecting and Deterring Financial Statement Fraud
6	21.12.2023	Budget 2024
7	29.12.2023	E-Learning – First Aid, CPR & AED Awareness E-Learning – Human Rights Awareness
DATO' LIM HAN BOON		
1	28.02.2023	Rebuilding the Board for Innovation
2	09.03.2023	The Best Use of Budget 2023
3	10.03.2023	Stopping Scandals Before They Happen
4	21.03.2023	Navigating ESG Data into Decisions
5	14.04.2023	FTSE4GOOD ESG Rating for ALL PLCs
6	20.07.2023	Generative AI – An opportunity or Risk
7	07 - 10.08.2023	Mandatory Accreditation Programme Part II
8	11.09.2023	What Amounts to a Conflict of Interest by Directors
9	14.09.2023	Detecting & Deterring Financial Statement Fraud
10	03.10.2023	Managing Cyber Risk
11	27.11.2023	Audit Oversight Board Conversation with Audit Committees
12	21.12.2023	Budget 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
DATO' YONG LEI CHOO		
1	07 - 10.08.2023	Mandatory Accreditation Programme Part II
2	14.09.2023	Detecting & Deterring Financial Statement Fraud
3	04.10.2023	Enhance Sustainability Practices and Disclosures of the Listing Requirement
4	21.12.2023	Budget 2024
DATO' AMINUDIN ZAKI BIN HASHIM		
1	11 & 12.05.2023	Mandatory Accreditation Programme
2	22 & 23.08.2023	Mandatory Accreditation Programme Part II
3	14.09.2023	Detecting & Deterring Financial Statement Fraud
4	10.10.2023	Board Oversight of Climate Risks and Opportunities
5	21.12.2023	Budget 2024
NURAINI BINTI ISMAIL		
1	12.06.2023	Crisis Management & Negotiation
2	16.06.2023	Emulate Prophetic Leadership
3	16.06.2023	Ethical Leadership Helps Shape Organisational Values and Cultures
4	07.08.2023	BI – Directors Conference
5	04 - 07.09.2024	Mandatory Accreditation Programme Part II
6	14.09.2023	Detecting & Deterring Financial Statement Fraud
7	03 - 06.10.2023	Fide Module A (Insurance)
8	13.10.2023	What amounts Conflict of Interest by Directors
9	17 - 20.10.2023	Fide Module B (Insurance)
10	07.11.2023	ESG and Islamic Finance
11	27.11.2023	AML/CFT and Anti Bribery Training (MCIS)
12	04.12.2023	E Invoicing & Cyber Security Awareness
13	06.12.2023	Behavioural Study and Report Sharing By Samhoud
14	21.12.2023	Budget 2024

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. REMUNERATION

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

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

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

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

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

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

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

The NRC also considers other factors such as salary paid by comparable companies, time commitment, scope of duties and responsibilities. Relevant information on Directors' remuneration from independent consultants or survey data, when available, will also be used as reference by the NRC. There is no provision of claw-back or malus for remuneration of Directors or employees.

The Board as a whole recommends the proposed fees for the Non-Executive Directors with the individual Directors concerned abstaining from decisions in respect of their individual remuneration. The remuneration payable to Non-Executive Directors is subject to shareholders' approval at the AGM of the Company and Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration. The payment of Directors' fees, allowances and 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 details of Directors' remuneration for the FY2023, including a breakdown of each individual Director's remuneration such as fees, salaries and bonus, benefits-in-kind and other emoluments are disclosed under Practice 8.1 in our CGR2023 and Note 37 to the Financial Statements in our IAR2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 ("KPI") is approved and the annual performance will then be assessed at the end of the year benchmarking with the KPIs.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The AC 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 FY2023. The quarterly financial results and audited financial statements were reviewed and recommended by the AC and approved by the Board before being released to Bursa Malaysia.

For further details of the AC's composition and activities during FY2023, please refer to the "Audit Committee Report" section in this IAR2023.

Assessment of Suitability and Independence of External Auditors

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

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

During FY2023, the AC met independently at two scheduled meetings with the External Auditors to discuss any matters they wished to raise or concerns they may have had without the presence of the Management. The AC also undertook review of the independence of Messrs. UHY and gave careful consideration to the Group's relationship with them. In determining the independence of UHY, the AC reviewed various aspects of their relationship with them including the nature and amount of the non-audit services paid to UHY for the FY2023 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 AC 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 AC has adopted the External Auditors Policy which outlines the guidelines and procedures for the AC to assess and monitor the External Auditors. The AC has also adopted the recommended policy under the MCCG 2021 which requires a former key audit partner to observe cooling-off period of at least three (3) years before being appointed as the member of AC. The External Auditors Policy will be reviewed when necessary to ensure it remains relevant and appropriate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In reviewing the nomination of UHY for re-appointment for FY2023, the AC 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 a listed corporation with 72 subsidiaries companies under different business segments. The audit quality, technical competencies, manpower resource sufficiency, size and complexity of the audit of the Group were taken into consideration. The review also took into account the level of cooperation with Management while maintaining integrity and objectivity and to deliver their services professionally and within stipulated timelines.

The AC 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 24th AGM.

Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are responsible to ensure the Company's financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs, the results and cash flow of the Group and of the Company during the FY2023. 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 AC had met with the External Auditors in February and November 2023 to review the scope and adequacy of the audit planning memorandum, the audit findings and the annual financial statement.

The External Auditors have assisted in evaluating the unaudited quarterly results and the financial statements. They were invited to attend the Board's meetings and AGM of the Company and are available to answer 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 keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group 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 AC Meetings and Board Meetings.

The AC 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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Risk Management Framework

The Board strongly believes in 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.

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

The systems of internal controls are continuously reviewed to ensure that they are working via the on-going review through the internal audit process. In FY2023, the internal audit function conducted its works based on an annual Internal Audit Plan which was tabled before and approved by the AC. The PMO have also conducted various initiatives on internal operational system enhancement and performed quarterly review thereof.

All Internal Audit Reports are tabled and reviewed by the AC during the meetings of the AC 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 AC or the Management.

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

More information on the risk management and internal control are disclosed within the sections titled "Statement on Risk Management and Internal Control" in this "IAR2023".

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 Investor Relations ("IR") Policy which serves as a guide to ensure broad dissemination of material information in a comprehensive, accurate and timely manner to shareholders, stakeholders, investors and the public.

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

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

Leverage on Information Technology for Effective Dissemination of Information

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

a) IR Department

The Company's IR Department is actively involved in conducting regular briefings, dialogue sessions, and presentations with institutional investors, fund managers, analysts, as well as financial institutions. These activities aim to develop and maintain positive relations with all shareholders and investors through enabling active two-way communications, as well as promoting and demonstrating a high standard of 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 FY2023, the IR team attended 13 meetings with fund managers, analysts, and institutional shareholders.

Currently, the Company is covered by three (3) research houses.

b) Integrated Annual Report

The Company's Integrated Report contains comprehensive and easy to understand details of the business, financial performance, strategic direction, sustainability matters, and other activities of the Company. These contents are continually enhanced in order that shareholders and the investing public are provided with clear and accurate information, and are suitably briefed on matters that are to be discussed to enable their effective participation during the AGM. An online version of the "IAR2023" is also available on the Company's website.

The Board recognises the importance of promoting good business conduct and maintaining a healthy corporate culture and sustainable growth to build greater confidence and trust with our stakeholders through continuous improvement of our disclosure practice. The Company has made further progress and produced its "IAR2023".

CORPORATE GOVERNANCE OVERVIEW STATEMENT

c) **Website**

The Company's corporate website www.lbs.com.my also provides an avenue for accessing the latest corporate information and developments of the Company easily and immediately. It houses information on the Group's corporate profile, development products, financial results, press releases, corporate news, and the Company's e-newsletter – *Journey With LBS*, among other information. Alternatively, Bursa Malaysia's 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 "IAR2023", Sustainability Report, Circular to Shareholders, and Annual Audited Accounts submitted to Bursa Malaysia.

d) **e-Newsletter**

The Group's e-newsletter "*Journey With LBS*" which is issued quarterly, serves as the Company's in-house corporate bilingual magazine and an internal communication tool. It is also used to engage with shareholders, investors, media, fund managers, analysts, and suppliers as an additional mode of communication and provides insightful information on the Group. 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, sustainability activities, as well as employee welfare activities and lifestyle highlights. The *Journey With LBS* publication is also available on the Company's website.

e) **Online Social Networking**

Recognising the benefits of broader communications especially social media, the Company has immersed itself on online social networking platforms such as Facebook, Twitter, WeChat, Instagram, TikTok, LinkedIn 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.

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

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

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

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

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

h) **Town Hall Meeting**

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

During FY2023, the Company conducted a Town Hall Meeting in January where the Group Executive Chairman and GMD/CEO shared the Company's objective and direction with staff. Our employees were also given the opportunity to speak, present or provide updates on the latest developments relating to their respective operational units.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. CONDUCT OF GENERAL MEETINGS

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

During FY2023, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities for the virtual 23rd AGM held on 20 June 2023. An Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

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

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

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

Shareholders are given the opportunity to participate in the question and answer session during the AGM on the proposed resolutions and the Group's operations. The Chairman of the Meeting is to provide sufficient time for shareholders' questions on matters pertaining to the Group'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.

ADDITIONAL COMPLIANCE INFORMATION

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

Audit and Non-Audit Fees

- (a) The amount of audit fee paid or payable to the External Auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for FY2023 amounted to RM878,500 and RM121,000 respectively.
- (b) The amount of non-audit fee paid or payable to the External Auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for the FY2023 amounted to RM176,580 and RM21,000 respectively.

Material Contracts

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

AUDIT COMMITTEE REPORT

The report of the Audit Committee ("Committee") of LBGB for the financial year ended 31 December 2023 is presented as follows:

A. COMPOSITION AND ATTENDANCE

In line with the provisions of the Listing Requirements of Bursa Malaysia, the Committee comprises exclusively Independent Non-Executive Directors. Composition of the Committee has been changed during the year where Datuk Dr. Haji Baharum Bin Haji Mohamed and Datuk Lim Si Cheng have stepped down from the Board and their roles as members of the Committee on 18 April 2023. These two vacancies were filled up by Dato' Aminudin Zaki Bin Hashim and Puan Nuraini Binti Ismail on the same date.

The Committee members have a broad range of skills and experience that enable them to fulfill their duties appropriately. The Chairman, Dato' Lim Han Boon and Puan Nuraini are Fellow members of the Association of Chartered Certified Accountants whereas Dato' Aminudin is a Chartered Global Management Accountant and an Associate Member of the Chartered Institute of Management Accountants. The Board is satisfied with their financial expertise, experience, and exposure to be the members of the Committee. Their profiles are detailed in this report on pages 43, 45 and 46.

The Committee held five meetings, with all members in attendance for each of these meetings in 2023. The External Auditors, Internal Auditors, Company Secretary, members of the management, including Executive Directors overseeing the financial and operational matters of the Group, and relevant heads of department were invited to attend, part or entire, of specific Committee meetings.

The details of the membership and record of attendance of these meetings are as follows:

COMMITTEE MEMBER	ATTENDANCE	
Dato' Lim Han Boon <i>Chairman/Senior Independent Non-Executive Director</i>	5	100%
Datuk Dr. Haji Baharum Bin Haji Mohamed ^{*1} <i>Member/Senior Independent Non-Executive Director</i>	2	100%
Datuk Lim Si Cheng ^{*1} <i>Member/Independent Non-Executive Director</i>	2	100%
Dato' Aminudin Zaki Bin Hashim ^{*2} <i>Member/Independent Non-Executive Director</i>	3	100%
Nuraini Binti Ismail ^{*2} <i>Member/Independent Non-Executive Director</i>	3	100%

^{*1} retired on 18 April 2023

^{*2} appointed on 18 April 2023

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

In addition to the normal scheduled meeting, the Committee met independently and separately with the External Auditors and Internal Auditors respectively twice a year to discuss any matters they wish to raise or concerns they may have without the presence of the Management.

AUDIT COMMITTEE REPORT

The Committee's effectiveness during the year 2023 was assessed via evaluation questionnaires under the annual assessment and evaluation of Board and Board Committees by the Nomination and Remuneration Committee. The Committee has also assessed through self and peers evaluation. These assessments serve to review the structure, membership, role, and performance of the Committee. Results of the evaluation were tabled to the Board for deliberation. The Board is satisfied that the Committee has effectively discharged their functions, duties, and responsibilities in accordance with its Terms of Reference.

Full version of the Terms of Reference of the Committee is published on the Company's website at www.lbs.com.my.

B. PRIORITIES AND MAIN ACTIVITIES DURING THE YEAR

1. FINANCIAL REPORTING:

- Reviewed the unaudited quarter financial results and the audited financial statements of the Company for the FYE 2022, 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 the financial year 2023 inclusive of the audit approach, areas of audit emphasis, timeline for reporting and deliverables prior to the commencement of the annual audit.
- Reviewed the extent of assistance rendered by the Management as well as issues and reservations arising from audits with the External Auditors without the presence of the Management and the Executive Board members.
- Ensuring the quality of effectiveness of External Audit processes continues to be a key priority of the Committee. The assessments of quality and effectiveness are based on a range of considerations with reference to the approved External Auditors Policy. These include the delivery of the approved audit plan, the quality of audit reporting, demonstration of appropriate scepticism and challenge on key areas, and feedback obtained through the private meeting with audit partner. Assessment was undertaken by way of a questionnaire completed by key internal stakeholders including members of the Committee, Company Secretary, senior members of Accounts and Finance Team. The Committee also evaluated the expertise and adequacy of resources and suitability of the External Auditors for re-appointment as Auditors of the Company.

AUDIT COMMITTEE REPORT

- The Committee monitors the independence and objectivity of the External Auditors and lead partner on an ongoing basis, with a formal review annually. This is a crucial area as it serves to ensure an appropriate professional scepticism in the work of the External Auditor. The assessment was assessed through a range of measures, undertaken with written assurance from the External Auditors of their independence including policies and measures used to control their work quality.

Audit partner rotation

The Group's policy is to rotate the audit partner at least every five years. The lead audit partner is Tan Gim-Heng, who has held the role since May 2021, replacing Lim Yang Yue in line with the Group's policy requirements.

Non-audit services policy

The External Auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants in relation to the provision of non-audit services. The External Auditors Policy represents a key control to ensure that the nature of any non-audit services performed, and the fee for such work compared to the fees for the audit, does not compromise in fact or appearance the auditor's independence, objectivity or integrity. Under the policy, the auditor may be commissioned to provide audit related services and permitted non-audit-related services with the approval/endorsement of the Committee.

Independence declaration

The External Auditors provide an independent confirmation that there has been no contravention of the audit independence requirements of the Malaysia Institution of Accountant By-Laws. This Confirmation is formally reported to, and subject to the review and approval of the Committee.

The Committee concluded that the quality of the External Auditors' work, and the level of challenge, knowledge and competence of the audit team, had been maintained at an appropriate standard during the year.

3. INTERNAL AUDIT:

The role of Internal Auditors is to act as an independent and objective assurance function, designed to improve the effectiveness of the governance, risk management and internal controls framework in mitigating the key risks of the Group. Deloitte provided Internal Audit services to the Group during the financial year and attended the Committee meetings to present their audit findings alongside the status of management actions.

The Internal Auditors adopt a risk-based auditing approach approved by the 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 financial year 2023 was RM120,000 (2022: RM120,000).

AUDIT COMMITTEE REPORT

The following is a summary of the Internal Audit works undertaken during the year 2023:

- 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) Corporate Communications Management;
 - (ii) Legal and Regulatory Management;
 - (iii) Information Technology Controls;
 - (iv) Branch Audit;
 - (v) Project Management;
 - (vi) Sales and Marketing;
 - (vii) Shared Services Centre; and
 - (viii) Project Procurement and Tender Management
- ii. Issued Internal Audit Reports to the 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 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 Committee.

4. RISK MANAGEMENT:

A detailed summary of the Group's risk management framework as well as additional information on our systems of internal control is set out in the "Statement of Risk Management and Internal Control" on pages 109 to 113. The Board has delegated responsibility for overseeing the effectiveness of the Group's risk management and internal control systems to the Committee. The Board confirms that the systems have been in place for the year under review and have been regularly reviewed throughout the year. The Board are satisfied that the internal controls and systems of risk management are effective. The Committee has oversight of the activities of the executive Risk Management Committee, receiving minutes of all Risk Management Committee meetings and discussing any significant matters raised.

5. RELATED PARTY TRANSACTIONS ("RPT"):

Reviewed the procedures and guideline of the general mandate of a revenue or trading nature to ensure the adequacy and appropriateness of the compliance procedures established to monitor the RPTs.

On quarterly basis, took note all recurrent RPTs, to ensure that those transactions were in accordance with the mandate approved by shareholders.

6. WHISTLEBLOWING

The Committee members have been appointed members of the Group's Whistleblowing Investigating Team and acts as the Investigating Committee to the Group's overall whistleblowing provision. The Group has a defined whistleblowing policy and procedure, which is communicated to the workforce through email and is available online. The whistleblowing provision allows the staff and stakeholders to raise concerns, through various media, including a confidential e-mail and forms.

The Head of Human Resources Department and Head of Legal Department as the Administrators of the whistleblowing provision will review all whistleblowing reports, conduct investigations where necessary, and provide detailed reporting to the Investigating Committee on all reports received. Reports on the whistleblowing cases would be brought forward to the Committee on a quarterly basis for review.

The Group is committed to transparency and accountability, we are pleased to report that no whistleblowing reports were received during the year under review.

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 risk management and internal control of the listed issuer as a Group in their annual report. In addition, the Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. Accordingly, the Board of LBGB 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 Group during the financial year under review.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility of establishing and maintaining a sound system of internal control covering financial and operational controls, compliance, and risk management to safeguard shareholders' investments and the Group's assets.

To ensure the adequacy, effectiveness and integrity of the risk management framework and internal control system, there is an ongoing review process by the Board. The Board recognises that there are inherent limitations to any system of internal control as it is designed to manage the Group's risk within the acceptable risk appetite, rather than to eliminate risks that may hinder the achievement of the Group's business objectives. Internal controls can only provide reasonable assurance against material misstatement or loss. Therefore, the Board has established an appropriate control structure and process for identifying, evaluating, monitoring, managing, and responding to significant risks faced by the Group in its pursuit of the business goals and objectives. The control structure and process which have been instituted throughout the Group are reviewed and updated from time to time in response to the changes in the business environment.

RESPONSIBILITY OF THE AUDIT COMMITTEE

The Audit Committee is responsible to:

- Fulfill fiduciary responsibilities relating to corporate accounting, system of internal controls, management, and financial reporting practices;
- Review and approve the risk dashboard and risk-based Internal Audit Plan;
- Review and monitor the internal audit function / external service provider engaged to ensure timely completion of the Internal Audit Plan and effectiveness, and implementation of any corrective action plans proposed.
- In addition to the regular scheduled meetings, the Committee meets independently and separately with the Internal Auditors twice a year to address any matters they wish to raise or concerns they may have, excluding the presence of Management.

RESPONSIBILITY OF THE MANAGEMENT

Management is accountable to the Board for risk management and internal control. Processes have been implemented to identify, evaluate, monitor, and report risks as well as to design and implement relevant controls in response to the risks. For this, a Risk Management Committee ("RMC") has been established to assist the Board on risk management to oversee the Management's activities in managing significant risk areas, ensuring that the risk management framework is in place and functioning effectively. The members of the RMC are three Independent Non-Executive Directors and two Executive Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

At the Management level, the RMC is supported by the Risk Working Team ("RWT") and Risk Coordinator to facilitate and manage risk management matters relating to the Group's risk management activities. The RWT is headed by an Executive Director, comprising heads of business units or support functions, who are risk owners themselves, as members.

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the RMC. The roles of the RMC include the following:

- Identifying and evaluating the risks faced by the respective departments, against the business objectives set out by the Group;
- Formulating relevant policies and procedures to manage these risks;
- Designing, implementing and monitoring the effectiveness of the risk management framework and internal control system;
- Implementing the policies approved by the Board; and
- Reporting to the Board and Audit Committee of any changes to the risks and corrective actions taken.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

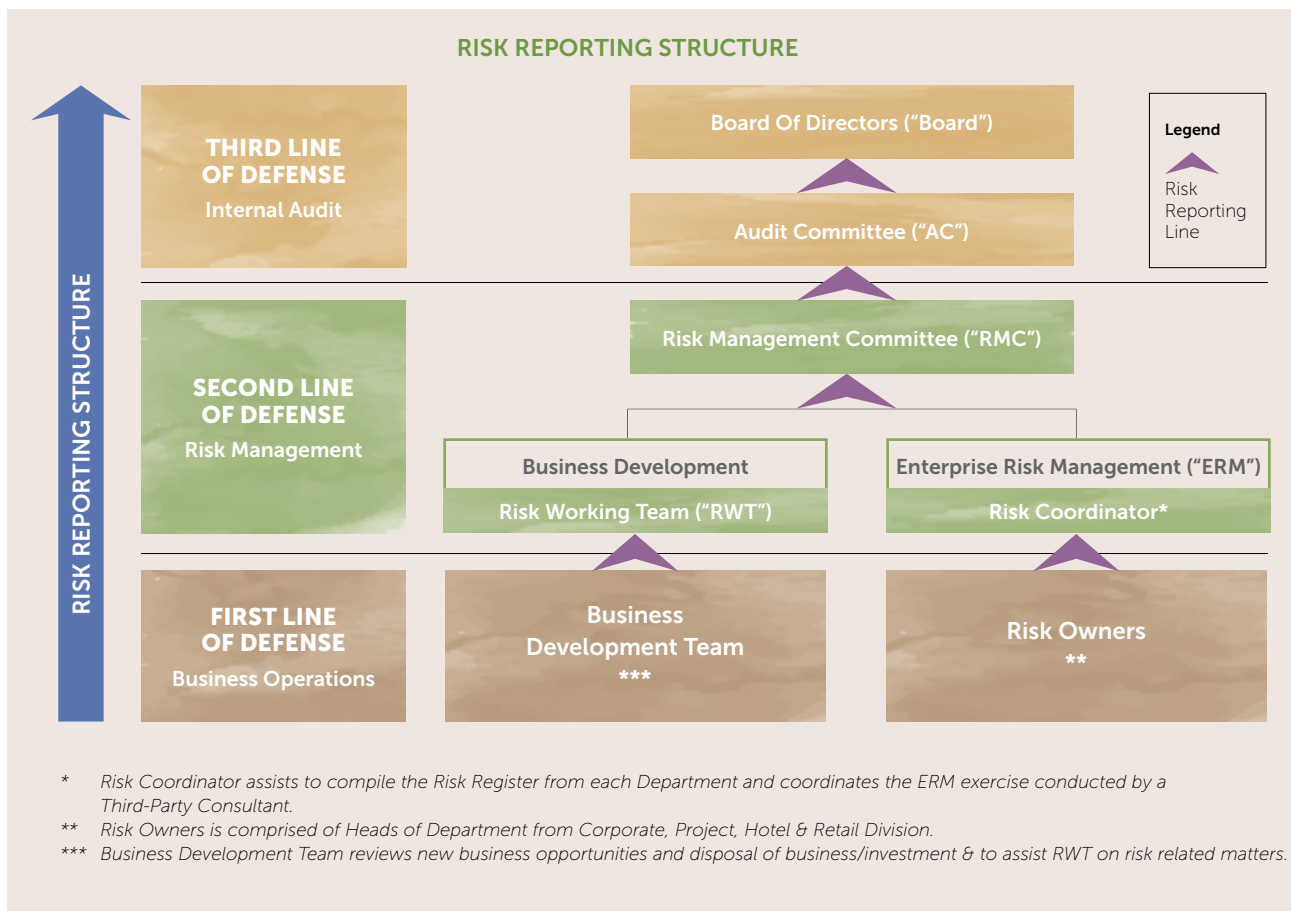
The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

RISK MANAGEMENT FRAMEWORK

- The Enterprise Risk Management ("ERM") at LBGB provides the foundation and process to guide the Group on how risks are managed in the Group.
- The ERM is aligned with the framework and guidance issued by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") and ISO 31000:2018 – Risk Management Principles and Guidelines.
- The Group engages an external service provider, Deloitte Business Advisory Sdn Bhd ("Deloitte"), to facilitate a risk assessment exercise with various stakeholders every 2 years. A risk analysis and evaluation are performed by Deloitte to update the existing risk registers. On top of that, the ERM assessment reviews are performed internally every alternate year to identify, assess and manage the risks faced by the Group. The RMC establishes a set of risk treatment plans and responses to risks assisting the Group in making sound business decisions. The Audit Committee and Board have an oversight role to review and deliberate on the Group's top risks.
- ERM framework is based on three (3) key components - Risk Ambition and Vision, Risk Organisation, and Risk Management Cycle, where it is split further into 12 core building blocks of a successful Risk Management Function as follows:
 - (i) Risk Governance Bodies – creating the structure and oversight for risk to be effectively managed;
 - (ii) Risk Policies – setting the tone and level of risk management applied across LBGB;
 - (iii) Risk Culture – the values and behaviors that drive risk management in LBGB;
 - (iv) Risk Appetite – setting the level of risk LBGB is willing to accept within tolerances;
 - (v) Risk Resources – the people and time that is applied to risk management, centrally and across business units;
 - (vi) Risk Procedures and Templates – providing guidance and clear direction for all areas of LBGB to perform risk management;
 - (vii) Risk Supporting Tools – manual and automated tools leveraged to provide a better risk management process;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- (viii) Risk Training – the support provided across the business to embed risk management;
 - (ix) Risk Identification – the process of identifying risks and opportunities to business operations, financial and reputation;
 - (x) Risk Measurement and Response – evaluation of risk on a common scale with implementation of appropriate response;
 - (xi) Risk Management – ongoing management and evaluation of risk mitigations, controls, and other responses to risk; and
 - (xii) Risk Monitoring and Reporting – monitoring of key risk indicators to assess the likelihood of crystallisation and reporting of the current risk environment.
- The governance model adopted by LBGB provides a formalised, transparent and effective governance structure that promotes the active involvement of the Board and Senior Management in the risk management process to ensure a uniform view of risks across the Group. The governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defense. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control, and reporting functions.



- 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

- The Internal Audit function is outsourced to Deloitte with staff strength from diverse backgrounds and qualifications. It is headed by the Executive Director who has vast experience in the areas of financial and operational audits, to provide independent assurance and consulting activities, which serve to assist the Group 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 2023 are as follows:
 - (i) Corporate Communication Management
 - (ii) Legal and Regulatory Management
 - (iii) Information Technology Controls
 - (iv) Branch Audit
 - (v) Project Management
 - (vi) Sales and Marketing
 - (vii) Shared Services Centre
 - (viii) Project Procurement and Tender Management
- Deloitte has undertaken a planning process to develop a risk-based Internal Audit Plan anchored on a risk assessment and review of the risk profile. The Internal Audit focuses on selected key risk areas as appropriate to the objective and scope of the engagement. The internal audit activities are carried out in accordance with the Internal Audit Plan approved by the Audit Committee.
- Deloitte evaluated the adequacy and operating effectiveness of risk and internal control process and subsequently highlighted any findings in respect of any non-compliance with policies and procedures and areas of improvement. Root-cause analysis on audit observation was conducted in developing a recommendation to address the weaknesses noted.
- The resulting reports from the audits undertaken, including the overall internal controls assessment on the auditable areas, are presented to the Audit Committee at its regular meetings.
- Follow-up audits are performed to ensure the Management Action Plans for any observations identified are rectified in a timely manner.
- The Audit Committee meets to review, discuss, and direct actions on matters pertaining to reports. The outcomes are then forwarded to the operational management for attention and necessary actions. The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are implemented within the required time frame.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 was 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 LBGB.

CONCLUSION

The Board has received reasonable assurance from the Group Managing Director/Chief Executive Officer and Executive Director, who are both responsible for the financial affairs of the Group, 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 Group. There were no material control failures or adverse compliance events that would have directly resulted in any material loss to the Group for the financial year under review.

RECURRENT RELATED PARTY TRANSACTION

There is no Recurrent Related Party Transaction of the Group entered into during the financial year ended 31 December 2023 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.



SECTION 6

Financial Statements

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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 2023.

Principal Activities

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are investment holding, property development, investment and management, construction and trading, racing circuit development and management, hotel and retail mall operations, energy and water related investment activities, operation of hospital activities, manufacturing of precast concrete products, financial and credit related services.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Net profit for the financial year	159,423,335	45,521,222
Attributable to:		
Owners of the parent	140,977,149	45,521,222
Non-controlling interests	18,446,186	–
	159,423,335	45,521,222

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 2022:	
Interim single-tier dividend of 1.20 sen per ordinary share on 1,540,641,157 ordinary shares, paid on 17 July 2023	18,487,681
Final single-tier dividend of 1.25 sen per ordinary share on 1,540,391,157 ordinary shares, paid on 14 September 2023	19,254,871
Redeemable Convertible Preference Shares ("RCPS")	
In respect of the financial year ended 31 December 2023:	
Preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS, paid on 30 November 2023	6,210,536
	43,953,088

DIRECTORS' REPORT

Dividends (Cont'd)

On 17 April 2024, the Board of Directors:

- (i) Declared first interim single-tier dividend of 1.35 sen per ordinary share in respect of the financial year ended 31 December 2023. The entitled shareholders of the Company will receive the dividend on 16 July 2024.
- (ii) Proposed final single-tier dividend of 1.35 sen per ordinary share in respect of the financial year ended 31 December 2023. The proposed dividend is subject to the approval of the shareholders at the forthcoming 24th Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividends declared/ proposed on 17 April 2024. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

Issue of Shares and Debentures

There were no issuance of shares and debentures during the financial year.

Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 20 June 2023, 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 12,403,800 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.42 per share. The total consideration paid for the repurchase including transaction costs was RM5,257,590. 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 2023, the total number of treasury shares held by the Company was 29,240,994 out of the total 1,569,245,151 issued ordinary shares. Further relevant details are disclosed in Note 24 to the financial statements.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

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 2023, 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' REPORT

Directors

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, PSM, SSAP, DSSA, JP *	
Datuk Wira Lim Hock Guan, DCSM, DMSM, PJK, JP *	
Maj (Hon) Dato' Sri Lim Hock Sing, SSAP, DIMP, JP *	
Dato' Lim Mooi Pang, DIMP *	
Dato' Lim Han Boon, DIMP	
Dato' Yong Lei Choo, DIMP	
Dato' Aminudin Zaki Bin Hashim	(Appointed on 18.04.2023)
Nuraini Binti Ismail	(Appointed on 18.04.2023)
Datuk Dr. Haji Baharum Bin Haji Mohamed, DMSM, AMN, PIS*	(Retired on 18.04.2023)
Datuk Lim Si Cheng, PJJN, PIS	(Retired on 18.04.2023)

* Director of the Company and its subsidiaries

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

Directors' Interests in Shares

The interests and deemed interests in the shares, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023	Acquired	Disposed	At 31.12.2023
LBS Bina Group Berhad				
Direct Interests				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San	33,286,014	2,960,000	–	36,246,014
Datuk Wira Lim Hock Guan	28,130,444	–	10,000,000	18,130,444
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	–	–	571,650
Dato' Lim Mooi Pang	5,672,759	–	–	5,672,759
Dato' Lim Han Boon	150,000	–	–	150,000
Indirect Interests				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San ²	565,526,085	7,500,000	–	573,026,085
Datuk Wira Lim Hock Guan ²	563,400,010	7,500,000	–	570,900,010
Maj (Hon) Dato' Sri Lim Hock Sing ¹	615,280	–	–	615,280
	Number of RCPS			
	At 1.1.2023	Acquired	Converted/ Disposed	At 31.12.2023
LBS Bina Group Berhad				
Indirect Interests				
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San ²	158,000	–	–	158,000
Maj (Hon) Dato' Sri Lim Hock Sing ¹	38,800	–	–	38,800

Note:

- 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.
- 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..

DIRECTORS' REPORT

Directors' Interests in Shares (Cont'd)

By virtue of their interests in the shares of the Company, Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San and Datuk Wira Lim Hock Guan are also deemed to have interests in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in ordinary shares of the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) 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 44(b) to the financial statements.

The details of the directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM	Company RM
Executive Directors		
Fees	726,528	–
Salaries, gratuity and other emoluments	10,732,500	–
Defined contribution plans	1,609,875	–
Social security contributions	4,878	–
Employment insurance scheme	168	–
Retirement benefit obligations	5,438,405	–
Benefits-in-kind	357,347	–
Other benefits	106,844	–
	18,976,545	–
Non-Executive Directors		
Fees	260,000	260,000
Salaries, gratuity and other emoluments	416,100	404,100
Other benefits	4,963	4,963
	681,063	669,063
Total	19,657,608	669,063

DIRECTORS' REPORT

Directors' Benefits (Cont'd)

The executive directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM171,458.

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 RCPS.

Indemnity and Insurance

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM70 million and RM85,000 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.

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

(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.

Subsidiaries

The details of the subsidiaries are disclosed in Note 51 to the financial statements.

Subsequent Events

The subsequent events are disclosed in Note 48 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- statutory audit	1,072,994	121,000
- others services	71,200	21,000
	1,144,194	142,000

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2024.

TAN SRI DATO' SRI IR. (DR.) LIM HOCK SAN

DATUK WIRA LIM HOCK GUAN

KUALA LUMPUR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 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 April 2024.

TAN SRI DATO' SRI IR. (DR.) LIM HOCK SAN

DATUK WIRA LIM HOCK GUAN

KUALA LUMPUR

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Dato' Lim Mooi Pang, being the Director primarily responsible for the financial management of LBS Bina Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 17 April 2024)

DATO' LIM MOOI PANG

Before me,

**NO. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LBS BINA GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LBS Bina Group Berhad, which comprise the statements of financial position as at 31 December 2023 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 material accounting policies, as set out on pages 129 to 270.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LBS BINA GROUP BERHAD

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

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.

How we addressed the key audit matters

We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation of such controls.

We checked the revenue recognised, on a sample basis, by agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion.

We checked the stage of completion of property development projects, on a sample basis, to internal or external quantity surveyors' certifications.

We corroborated, on a sample basis, the certified stage of completion with the level of completion based on actual costs incurred to-date over the estimated total property development costs.

We agreed, on a sample basis, costs incurred to supporting documentation such as subcontractor claim certificates and invoices from vendors.

We checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, contracts and variation orders with sub-contractors.

We inspected the sales and purchase contracts for all significant new land acquisitions to understand the terms and identify any deferred or contingent payments therein.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LBS BINA GROUP BERHAD

Key Audit Matters (Cont'd)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. (Cont'd)

Key audit matters

How we addressed the key audit matters

2. Goodwill impairment review

The Group has significant goodwill allocated to the property development cash-generating units ("CGUs"). Goodwill shall be tested for impairment annually in accordance to MFRS 136 *Impairment of Assets*. The estimation of recoverable amount is complex and significant judgement is required for estimates, specifically cash flows projections, discount rates and short-term growth rates. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, this is the key judgemental area that our audit was concentrated on.

We assessed the reasonableness of the cash flows forecasts and supporting evidence of the underlying assumptions, by checking to approved budgets and comparing expected growth rates to relevant market expectations.

We performed sensitivity analysis on the key inputs to the impairment model, to understand the impact that reasonably possible changes to key assumptions would have on the overall carrying amount of the goodwill at the end of the reporting period.

We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities.

We have determined that there were no key audit matters in the audit of the financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LBS BINA GROUP BERHAD

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LBS BINA GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 51 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

TAN GIM-HENG
Approved Number: 03595/09/2025 J
Chartered Accountant

KUALA LUMPUR
17 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	53,819,728	44,227,985
Right-of-use assets	5	351,853,912	349,549,773
Capital work-in-progress	6	25,182,811	24,900,012
Inventories	7	1,301,413,954	1,297,811,985
Investment properties	8	189,823,709	191,822,335
Investment in associates	10	2,253,862	2,497,377
Other investments	11	476,000	505,000
Goodwill on consolidation	12	55,513,510	66,184,311
Trade receivables	13	6,020,258	3,067,743
Deferred tax assets	14	88,872,288	75,611,028
Total non-current assets		2,075,230,032	2,056,177,549
Current assets			
Inventories	7	562,426,531	541,127,705
Contract assets	15	456,692,278	638,370,896
Trade receivables	13	250,462,998	358,404,855
Other receivables	16	198,724,405	191,200,627
Amount due from associates	18	10,845	–
Tax recoverable		19,212,677	14,715,986
Fixed deposits with licensed banks	19	73,159,435	24,754,911
Cash held under Housing Development Accounts	20	478,126,186	235,387,063
Cash and bank balances	21	156,376,552	104,968,603
		2,195,191,907	2,108,930,646
Assets held for sale	22	–	221,735
Total current assets		2,195,191,907	2,109,152,381
Total assets		4,270,421,939	4,165,329,930

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	23	922,887,304	922,887,304
Treasury shares	24	(11,917,049)	(6,659,459)
Other reserves	25	(210,082,546)	(210,417,664)
Retained earnings		754,733,319	672,930,446
Equity attributable to owners of the parent		1,455,621,028	1,378,740,627
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	26	223,000,000	223,000,000
Non-controlling interests		166,810,192	153,084,525
Total equity		1,845,431,220	1,754,825,152
Non-current liabilities			
Trade payables	27	412,009,793	450,497,264
Other payables	28	55,135,107	53,592,711
Retirement benefit obligations	29	12,633,018	5,686,642
Lease liabilities	30	15,667,418	11,424,771
Bank borrowings	31	157,324,757	209,720,835
Sukuk Murabahah ("Sukuk")	32	38,516,000	50,818,000
Deferred tax liabilities	14	34,943,565	35,956,866
Total non-current liabilities		726,229,658	817,697,089
Current liabilities			
Contract liabilities	15	5,323,148	34,028,889
Trade payables	27	481,446,295	415,183,009
Other payables	28	638,767,879	476,707,256
Amount due to an associate	18	–	16,552
Lease liabilities	30	14,215,224	14,694,540
Bank borrowings	31	445,034,703	548,381,521
Sukuk Murabahah ("Sukuk")	32	24,452,000	4,452,000
Bank overdrafts	33	73,013,069	77,747,419
Tax payable		16,508,743	21,596,503
Total current liabilities		1,698,761,061	1,592,807,689
Total liabilities		2,424,990,719	2,410,504,778
Total equity and liabilities		4,270,421,939	4,165,329,930

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Company 2023 RM	2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,575	2,025
Investment in subsidiaries	9	752,291,725	752,291,623
Amount due from subsidiaries	17	198,209,965	52,948,296
Total non-current assets		950,503,265	805,241,944
Current assets			
Other receivables	16	1,192,667	764,948
Amount due from subsidiaries	17	382,591,435	597,462,576
Tax recoverable		246,787	270,607
Fixed deposits with licensed banks	19	1,421,944	1,041,793
Cash and bank balances	21	4,824,217	3,425,281
Total current assets		390,277,050	602,965,205
Total assets		1,340,780,315	1,408,207,149
EQUITY AND LIABILITIES			
Equity			
Share capital	23	922,887,304	922,887,304
Treasury shares	24	(11,917,049)	(6,659,459)
Retained earnings		45,649,344	59,302,398
Equity attributable to owners of the parent		956,619,599	975,530,243
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	26	223,000,000	223,000,000
Total equity		1,179,619,599	1,198,530,243
Non-current liability			
Bank borrowings	31	1,250,000	19,895,500
Total non-current liability		1,250,000	19,895,500
Current liabilities			
Other payables	28	505,989	663,508
Bank borrowings	31	155,846,575	185,278,455
Bank overdrafts	33	2,981,926	2,549,390
Amount due to subsidiaries	17	330,073	–
Tax payable		246,153	1,290,053
Total current liabilities		159,910,716	189,781,406
Total liabilities		161,160,716	209,676,906
Total equity and liabilities		1,340,780,315	1,408,207,149

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 2023

	Note	2023 RM	Group 2022 RM
Revenue	34	1,829,630,825	1,723,857,391
Cost of sales	35	(1,304,198,373)	(1,240,018,054)
Gross profit		525,432,452	483,839,337
Other income		24,007,753	19,082,655
Administrative and operating expenses		(242,856,503)	(230,703,809)
Changes on impairment of financial instruments and contract assets		(658,235)	4,147,893
Profit from operations		305,925,467	276,366,076
Finance costs	36	(66,642,332)	(59,521,315)
Share of profit of associates, net of tax		505,052	82,486
Profit before tax	37	239,788,187	216,927,247
Taxation	38	(80,364,852)	(79,412,732)
Net profit for the financial year		159,423,335	137,514,515
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Exchange translation differences for foreign operations		1,030,539	120,450
Total comprehensive income for the financial year		160,453,874	137,634,965
Net profit for the financial year attributable to:			
Owners of the parent		140,977,149	128,538,935
Non-controlling interests		18,446,186	8,975,580
		159,423,335	137,514,515
Total comprehensive income for the financial year attributable to:			
Owners of the parent		143,845,422	130,098,149
Non-controlling interests		16,608,452	7,536,816
		160,453,874	137,634,965
Earnings per share attributable to owners of the parent (sen)			
Basic earnings per share	39(a)	7.75	6.87
Diluted earnings per share	39(b)	7.75	6.87

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Company 2023 RM	2022 RM
Revenue	34	28,731,676	23,175,318
Other income		35,205,197	27,139,193
Administrative and operating expenses		(3,880,286)	(4,084,815)
Profit from operations		60,056,587	46,229,696
Finance costs	36	(13,264,277)	(12,314,863)
Profit before tax	37	46,792,310	33,914,833
Taxation	38	(1,271,088)	(3,184,335)
Net profit for the financial year, representing total comprehensive income for the financial year		45,521,222	30,730,498

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Attributable to owners of the parent

Non-distributable Distributable

	Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM	Total equity RM
Group									
At 1 January 2022	819,378,365	103,508,939	(202,304,430)	(3,190,894)	590,473,820	1,307,865,800	223,000,000	176,549,992	1,707,415,792
Net profit for the financial year	-	-	-	-	128,538,935	128,538,935	-	8,975,580	137,514,515
Foreign currency translation reserves	-	-	1,559,214	-	-	1,559,214	-	(1,438,764)	120,450
Total comprehensive income for the financial year	-	-	1,559,214	-	128,538,935	130,098,149	-	7,536,816	137,634,965
Transactions with owners:									
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	150,000	150,000
Changes in equity interest in subsidiaries	-	-	(5,567,539)	-	-	(5,567,539)	-	(23,432,461)	(29,000,000)
Strike off of subsidiaries	-	-	64,947	-	-	64,947	-	(77,870)	(12,923)
Dividend paid	-	-	-	-	(28,848,582)	(28,848,582)	-	-	(28,848,582)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(7,641,952)	(7,641,952)
RCPS preferential dividend paid	-	-	-	-	(6,210,536)	(6,210,536)	-	-	(6,210,536)
Distribution to holders of Perpetual Sukuk	-	-	-	-	(15,193,047)	(15,193,047)	-	-	(15,193,047)
Realisation of ESOS reserve	-	-	(4,169,856)	-	4,169,856	-	-	-	-
Shares repurchased	-	-	-	(3,468,565)	-	(3,468,565)	-	-	(3,468,565)
At 31 December 2022	819,378,365	103,508,939	(210,417,664)	(6,659,459)	672,930,446	1,378,740,627	223,000,000	153,084,525	1,754,825,152

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to owners of the parent						Total equity RM		
		Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Total RM			
		Non-distributable		Distributable						
Group										
At 1 January 2023		819,378,365	103,508,939	(210,417,664)	(6,659,459)	672,930,446	1,378,740,627	223,000,000	153,084,525	1,754,825,152
Net profit for the financial year		-	-	-	-	140,977,149	140,977,149	-	18,446,186	159,423,335
Foreign currency translation reserves		-	-	2,868,273	-	-	2,868,273	-	(1,837,734)	1,030,539
Total comprehensive income for the financial year		-	-	2,868,273	-	140,977,149	143,845,422	-	16,608,452	160,453,874
Transactions with owners:										
Capital contribution from non-controlling interests	9(h)(iii)	-	-	-	-	-	-	-	199,960	199,960
Changes in equity interest in subsidiaries	9(d)	-	-	(2,533,155)	-	-	(2,533,155)	-	(1,566,168)	(4,099,323)
Winding up of a subsidiary	9(j)	-	-	-	-	-	-	-	(295,957)	(295,957)
Dividends paid	42	-	-	-	-	(37,742,552)	(37,742,552)	-	-	(37,742,552)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(1,220,620)	(1,220,620)
RCPS preferential dividend paid	42	-	-	-	-	(6,210,536)	(6,210,536)	-	-	(6,210,536)
Distribution to holders of Perpetual Sukuk		-	-	-	-	(15,221,188)	(15,221,188)	-	-	(15,221,188)
Shares repurchased	24	-	-	-	(5,257,590)	-	(5,257,590)	-	-	(5,257,590)
At 31 December 2023		819,378,365	103,508,939	(210,082,546)	(11,917,049)	754,733,319	1,455,621,028	223,000,000	166,810,192	1,845,431,220

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Non-distributable				Distributable			Total equity RM
		Share capital RM	RCPS RM	ESOS reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	
Company									
At 1 January 2022		819,378,365	103,508,939	4,169,856	(3,190,894)	74,654,209	998,520,475	223,000,000	1,221,520,475
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	30,730,498	30,730,498	-	30,730,498
Transactions with owners:									
Dividend paid	42	-	-	-	-	(28,848,582)	(28,848,582)	-	(28,848,582)
RCPS preferential dividend paid	42	-	-	-	-	(6,210,536)	(6,210,536)	-	(6,210,536)
Distribution to holders of Perpetual Sukuk		-	-	-	-	(15,193,047)	(15,193,047)	-	(15,193,047)
Realisation of ESOS reserve	25(a)	-	-	(4,169,856)	-	4,169,856	-	-	-
Shares repurchased	24	-	-	-	(3,468,565)	-	(3,468,565)	-	(3,468,565)
At 31 December 2022		819,378,365	103,508,939	-	(6,659,459)	59,302,398	975,530,243	223,000,000	1,198,530,243

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Non-distributable		Distributable ⁺		Total RM	Perpetual Sukuk RM	Total equity RM
	Share capital RM	RCPS RM	Treasury shares RM	Retained earnings RM			
Company							
At 1 January 2023	819,378,365	103,508,939	(6,659,459)	59,302,398	975,530,243	223,000,000	1,198,530,243
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	45,521,222	45,521,222	-	45,521,222
Transactions with owners:							
Dividend paid	-	-	-	(37,742,552)	(37,742,552)	-	(37,742,552)
RCPS preferential dividend paid	-	-	-	(6,210,536)	(6,210,536)	-	(6,210,536)
Distribution to holders of Perpetual Sukuk	-	-	-	(15,221,188)	(15,221,188)	-	(15,221,188)
Shares repurchased	-	-	(5,257,590)	-	(5,257,590)	-	(5,257,590)
	-	-	(5,257,590)	(59,174,276)	(64,431,866)	-	(64,431,866)
At 31 December 2023	819,378,365	103,508,939	(11,917,049)	45,649,344	956,619,599	223,000,000	1,179,619,599

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	2023 RM	Group 2022 RM
Operating activities		
Profit before tax	239,788,187	216,927,247
Adjustments for:		
Allowance for impairment losses on:		
- Assets held for sale	171,735	-
- Goodwill arising on consolidation	10,700,308	6,693,781
- Investment properties	199,805	603,586
- Other investments	29,000	63,000
- Trade and other receivables	1,815,033	1,021,738
Bad debts written off	380,440	676,202
Capital work-in-progress written off	2,786,305	1,618,185
Deposits written off	450	424,165
Depreciation of:		
- Investment properties	2,736,939	2,333,019
- Property, plant and equipment	13,174,187	13,140,247
- Right-of-use assets	26,418,266	25,173,159
Finance costs	66,642,332	59,521,315
(Gain)/Loss on strike off:		
- Subsidiaries	-	(12,923)
- An associate	341,160	8,077
Inventories written down to net realisable value	48,391	-
Inventories written off	737,524	3,607
Land held for property development written down	-	17,500,000
Prepayments written off	-	214,190
Balance carried down	365,970,062	345,908,595

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	2023 RM	Group 2022 RM
Operating activities (Cont'd)		
Balance brought down	365,970,062	345,908,595
Property, plant and equipment written off	163,229	314,364
Property development costs written off	939,834	296,833
Provision for retirement benefits	6,946,376	5,686,642
Provision for staff economic compensation	16,151	86,173
Waiver of interest income	291,356	1,981,605
Fair value adjustment on trade receivables	(129,882)	75,063
Fair value gain on revaluation of financial assets measured at fair value through profit or loss ("FVTPL")	-	(820)
(Gain)/Loss on disposal of:		
- Assets held for sale	-	(61,575)
- An associate	(404)	18,875
- A subsidiary	-	(599,738)
- Property, plant and equipment	(622,762)	14,279
- Right-of-use assets	(164,500)	(292,863)
Gain on remeasurement of previously held equity interest	(7,508)	-
Gain on winding up of a subsidiary	(244,588)	-
Interest income	(7,367,709)	(4,147,128)
Provision for property development costs no longer required	(7,205,512)	(6,005,058)
Reversal of allowance for impairment losses on:		
- Investment in associates	(303,682)	(109,314)
- Trade and other receivables	(1,156,798)	(5,430,763)
Balance carried down	357,123,663	337,735,170

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	2023 RM	Group 2022 RM
Operating activities (Cont'd)		
Balance brought down	357,123,663	337,735,170
Share of profit of associates, net of tax	(505,052)	(82,486)
Unrealised foreign exchange gain	(63,084)	(78,226)
Operating profit before working capital changes	356,555,527	337,574,458
Changes in working capital:		
Inventories	(12,801,483)	260,037,457
Contract assets	181,678,618	(29,427,835)
Contract liabilities	(28,705,741)	13,766,415
Trade receivables	103,877,978	38,163,649
Other receivables	27,801,811	63,970,483
Trade payables	56,113,819	(82,895,241)
Other payables	145,823,430	(27,714,195)
Amount due from/(to) associates	(27,397)	(42,082)
Foreign exchange reserve	(7,185,430)	(7,624,410)
	466,575,605	228,234,241
Cash generated from operations	823,131,132	565,808,699
Dividends received from an associate	180,000	180,000
Interest received	7,367,709	4,147,127
Interest paid	(62,259,611)	(55,357,619)
Tax paid	(110,044,067)	(102,418,156)
Tax refunded	4,919,971	896,103
	(159,835,998)	(152,552,545)
Net cash from operating activities	663,295,134	413,256,154

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM
Investing activities			
Additional investment in:			
- An associate		-	(54,000)
- Subsidiaries		(4,109,001)	(29,000,000)
Capital work-in-progress incurred		(1,879,588)	(4,141,551)
Net cash inflows/(outflows) from acquisition of a subsidiary	9(b)	336,838	(941,060)
Net cash inflows from disposal of a subsidiary	9(f)	-	747,571
Proceeds from disposal of:			
- Assets held for sale		50,000	210,000
- Associates		-	99,000
- Financial assets measured at FVTPL		-	2,003,949
- Property, plant and equipment		673,557	428,586
- Right-of-use-assets		164,501	367,600
Proceeds from acquisition of equity interest by non-controlling interests		-	150,000
Proceeds from share capital reduction		521,850	-
Purchase of:			
- Property, plant and equipment	4	(12,567,369)	(5,146,669)
- Right-of-use assets	5(c)	(3,856,764)	(2,027,412)
Deposits and consideration paid for the acquisition and joint venture of development lands		(65,090,263)	(43,419,144)
Repayment of prior years' investment in subsidiaries and associates		-	(1,973,300)
Net cash used in investing activities		(85,756,239)	(82,696,430)
Financing activities			
Increase in fixed deposits pledged		(48,400,247)	(2,279,608)
(Increase)/Decrease in cash and bank balances pledged		(5,587,696)	4,573,759
Drawdown of borrowings		454,506,990	645,877,358
Drawdown of Sukuk	32	40,000,000	5,000,000
Distribution to holders of Perpetual Sukuk		(15,221,188)	(15,193,047)
Dividends paid		(37,742,552)	(28,848,582)
RCPS preferential dividend paid		(6,210,536)	(6,210,536)
Dividends paid to non-controlling interests		(1,220,620)	(7,641,952)
Purchase of treasury shares		(5,257,590)	(3,468,565)
Repayment of:			
- Borrowings		(610,249,886)	(797,540,391)
- Sukuk		(32,302,000)	(25,352,000)
- Lease liabilities		(17,960,835)	(14,863,493)
Net cash used in financing activities		(285,646,160)	(245,947,057)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	Group 2022 RM
Net increase in cash and cash equivalents		291,892,735	84,612,667
Effects of exchange translation differences on cash and cash equivalents		1,405,268	(1,869,362)
Cash and cash equivalents at the beginning of the financial year		261,531,227	178,787,922
Cash and cash equivalents at the end of the financial year		554,829,230	261,531,227
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		73,159,435	24,754,911
Cash held under Housing Development Accounts		478,126,186	235,387,063
Cash and bank balances		156,376,552	104,968,603
Bank overdrafts		(73,013,069)	(77,747,419)
		634,649,104	287,363,158
Less: Fixed deposits pledged with licensed banks	19	(72,982,123)	(24,581,876)
Cash and bank balances pledged	21	(6,837,751)	(1,250,055)
		554,829,230	261,531,227

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Company 2023 RM	2022 RM
Operating activities			
Profit before tax		46,792,310	33,914,833
Adjustments for:			
Depreciation of property, plant and equipment		450	450
Loss on winding up of a subsidiary		88,393	–
Finance costs		13,264,277	12,314,863
Dividend income		(28,731,676)	(23,175,318)
Interest income		(34,580,652)	(26,554,399)
Reversal of allowance for impairment losses on investment in subsidiary		(88,393)	–
Operating loss before working capital changes		(3,255,291)	(3,499,571)
Changes in working capital:			
Other receivables		(427,719)	769,781
Other payables		(276,862)	(536,933)
Amount due from/(to) subsidiaries		1,782,835	(2,682,128)
		1,078,254	(2,449,280)
Cash used in operations		(2,177,037)	(5,948,851)
Dividends received		28,731,676	23,175,318
Interest received		55,998,660	17,690,699
Interest paid		(13,144,934)	(13,447,179)
Tax paid		(3,585,199)	(2,048,663)
Tax refunded		1,294,031	–
		69,294,234	25,370,175
Net cash from operating activities		67,117,197	19,421,324
Investing activities			
Additional investment in subsidiaries		(102)	(97,348)
Net movement of amount due from/(to) subsidiaries		46,738,702	(16,859,242)
Net cash from/(used in) investing activities		46,738,600	(16,956,590)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Company 2023 RM	2022 RM
Financing activities			
Dividends paid		(37,742,552)	(28,848,582)
RCPS preferential dividend paid		(6,210,536)	(6,210,536)
Increase in fixed deposits pledged		(380,151)	(53,488)
(Increase)/Decrease in cash and bank balances pledged		(1,430,848)	22,765
Drawdown of bank borrowings		20,000,000	85,000,000
Distribution to holders of Perpetual Sukuk		(15,221,188)	(15,193,047)
Purchase of treasury shares		(5,257,590)	(3,468,565)
Repayment of bank borrowings		(68,077,380)	(42,261,628)
Net cash used in financing activities		(114,320,245)	(11,013,081)
Net decrease in cash and cash equivalents		(464,448)	(8,548,347)
Cash and cash equivalents at the beginning of the financial year		565,268	9,113,615
Cash and cash equivalents at the end of the financial year		100,820	565,268
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		1,421,944	1,041,793
Cash and bank balances		4,824,217	3,425,281
Bank overdrafts		(2,981,926)	(2,549,390)
		3,264,235	1,917,684
Less: Fixed deposits pledged with licensed banks	19	(1,421,944)	(1,041,793)
Cash and bank balances pledged	21	(1,741,471)	(310,623)
		100,820	565,268

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 51. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

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, except as otherwise disclosed.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except as disclosed below:

Amendments to MFRS 101 Disclosure of Accounting Policies

The Group and the Company adopted Amendments to MFRS 101 Disclosure of Accounting Policies from 1 January 2023. The amendments require the disclosure of material accounting policy information rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in any material changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amended standards (Cont'd)

Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Group has adopted Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

The Group previously accounted for deferred tax on leases applying the "integrally linked" approach resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statements of financial position because the balances qualify for offset under paragraph 74 of MFRS 112. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised as disclosed Note 14.

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 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

(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.

The Group recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Classification between investment properties and inventories

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long-term for capital appreciation or rental income but rather for sale. Accordingly, these properties are classified as inventories. The carrying amounts of these inventories as at 31 December 2023 are RM25,412,244 (2022: RM30,390,455).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

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.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

- (i) Useful lives of property, plant and equipment, right-of-use ("ROU") assets and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 8 respectively.

- (ii) Impairment of investment in subsidiaries

The Company reviews its investment in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts at the reporting date for investment in subsidiaries are disclosed in Note 9.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

- (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 12.

- (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 14.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

- (viii) Revenue from construction contracts (Cont'd)

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.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

- (x) Provision for expected credit loss of financial assets at amortised cost (Cont'd)

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 13.

- (xi) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

- (xii) Employees' Share Option Scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The details of assumptions made in respect of the share-based payment scheme are disclosed in Note 40.

- (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 2023, the Group has tax recoverable and tax payable of RM19,212,677 and RM16,508,743 (2022: RM14,715,986 and RM21,596,503) respectively. As at 31 December 2023, the Company has tax recoverable and tax payable of RM246,787 and RM246,153 (2022: RM270,607 and RM1,290,053) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

- (xv) Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of salary increases and mortality rates. There is an assumption that there will be no resignation and no salary growth. All assumptions are reviewed at each financial year end.

In determining the appropriate discount rate, the valuation is based on market yield of Malaysian Government Securities, Private Debt Securities with AA ratings above with terms similar to the terms of the liabilities.

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

- (a) Basis of consolidation

- (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(m)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(m)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date and income and expenses, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associates that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(c) 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(m)(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(f) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(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:

Freehold land and buildings	50 years
Motor vehicles	5 years
Office equipment, furniture and fittings	2 to 10 years
Renovations	5 to 10 years
Plant, machinery and equipment	3 to 30 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) 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.

(e) Inventories

(i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(e) Inventories (Cont'd)

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

(iv) Other inventories

Cost of raw materials, consumable foods, finished goods, spare parts and consumables comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Investment properties

Investment properties, including right-of-use assets held by lessee, are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	20 to 50 years
Leasehold land and buildings	Over the remaining period of the lease
Commercial properties	Over the remaining period of the lease

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(f) Investment properties (Cont'd)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(m)(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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows:

(i) Financial assets measured at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiaries, amount due from associates, deposits and bank and cash balances.

(ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(iii) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

The Group and the Company have not designated any financial assets as FVTPL.

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(m)(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.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

Financial liabilities categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities measured at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to holding company, amount due to subsidiaries, amount due to an associate, bank overdrafts, lease liabilities, bank borrowings, Sukuk and RCPS.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) 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*.

(j) Offsetting of financial instruments

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and bank overdrafts 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.

(l) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

When the total cost incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is presented as contract assets. When progress billings exceed costs incurred on construction contracts plus recognised profits (less recognised losses), the balance is presented as contract liabilities.

(m) 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 2023

3. Material Accounting Policies (Cont'd)

(m) 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.

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 and contract assets, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Impairment for other receivables and intercompanies balances of the Group and of the Company are recognised based on the general approach using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised. The Group and the Company define significant increase in credit risk based on past due information, i.e. 365 days after credit term.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(o) 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.

(p) 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.

(q) 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(m)(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(q) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(r) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(r) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(a) Revenue from property development (Cont'd)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

(c) Sale of goods

Revenue from sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(r) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(e) Hotel room rental and food and beverages revenue

Room rental revenue is accrued on a daily basis on customer-occupied rooms. Revenue from the sale of food and beverage is recognised when the customer received and consumes and the Group has a present right to payment for the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

(f) Motor racing event income

Racing event income is recognised at a point in time when performance obligation is satisfied by the transfer of promised services to a customer which is the time the relevant event is held. Invoices are issued to customers before or upon completion of services and consideration is payable when invoiced. Consideration received before completion of services is classified as receipts in advance under other payables in the statements of financial position.

(g) Motor racing sponsorship income

Sponsorship income from advertising services is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

(h) Motor racing consultancy fee income

Consultancy fee income is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(s) 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.

(t) 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.

(u) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(v) 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.

(w) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(w) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined Benefit Plan

The Group and the Company operate a wholly unfunded non-contributory defined benefit retirement scheme (the "Scheme") for its eligible employees. The Group's and the Company's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by an independent actuary.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligation at each financial year end less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Net interest is recognised in profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(iv) Share-based compensation

LBS Bina Group Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiaries' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share capital, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Material Accounting Policies (Cont'd)

(x) 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.

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.

(y) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment

	Freehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
2023						
Group						
Cost						
At 1 January	729,758	5,871,227	46,443,185	27,982,870	42,275,504	123,302,544
Additions	–	184,909	4,310,777	2,155,658	12,799,489	19,450,833
Transfer from capital work-in-progress	–	–	–	398,107	–	398,107
Transfer from right-of-use assets	–	1,703,901	271,987	–	4,997,508	6,973,396
Transfer from property developments costs	–	–	–	78,343	–	78,343
Acquisition of a subsidiary	–	–	47,569	58,906	–	106,475
Disposals	–	(1,581,605)	(218,961)	–	(300,507)	(2,101,073)
Written off	–	–	(1,945,423)	(814,238)	–	(2,759,661)
Exchange differences	–	1,359	227,396	–	591	229,346
At 31 December	729,758	6,179,791	49,136,530	29,859,646	59,772,585	145,678,310
Accumulated depreciation						
At 1 January	37,059	5,701,284	27,626,743	17,275,511	28,428,361	79,068,958
Charge for the financial year	14,595	168,508	4,565,838	4,019,800	4,405,446	13,174,187
Transfer from right-of-use assets	–	1,626,742	244,788	–	2,130,725	4,002,255
Acquisition of a subsidiary	–	–	32,084	46,057	–	78,141
Disposals	–	(1,581,600)	(199,452)	–	(269,226)	(2,050,278)
Written off	–	–	(1,782,196)	(814,236)	–	(2,596,432)
Exchange differences	–	46	176,082	–	22	176,150
At 31 December	51,654	5,914,980	30,663,887	20,527,132	34,695,328	91,852,981
Accumulated impairment losses						
At 1 January/31 December	5,601	–	–	–	–	5,601
Carrying amount						
At 31 December	672,503	264,811	18,472,643	9,332,514	25,077,257	53,819,728

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment (Cont'd)

	Freehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
2022						
Group Cost						
At 1 January	1,140,298	4,193,012	44,266,736	27,612,634	38,152,088	115,364,768
Additions	–	4,750	2,833,377	64,150	3,736,825	6,639,102
Transfer from capital work-in-progress	–	–	290,602	–	–	290,602
Transfer from right-of-use assets	–	2,559,006	–	–	1,417,312	3,976,318
Transfer from property development cost	–	–	–	119,713	–	119,713
Disposals	–	(885,541)	(64,087)	–	(1,030,721)	(1,980,349)
Written off	–	–	(594,175)	(224,167)	–	(818,342)
Reclassification	(410,540)	–	–	410,540	–	–
Exchange differences	–	–	(289,268)	–	–	(289,268)
At 31 December	729,758	5,871,227	46,443,185	27,982,870	42,275,504	123,302,544
Accumulated depreciation						
At 1 January	22,464	3,824,105	23,865,237	13,627,071	23,432,208	64,771,085
Charge for the financial year	14,595	385,480	4,409,339	3,743,382	4,587,451	13,140,247
Transfer from right-of-use assets	–	2,338,303	–	–	1,084,654	3,422,957
Disposals	–	(846,604)	(14,928)	–	(675,952)	(1,537,484)
Written off	–	–	(409,036)	(94,942)	–	(503,978)
Exchange differences	–	–	(223,869)	–	–	(223,869)
At 31 December	37,059	5,701,284	27,626,743	17,275,511	28,428,361	79,068,958
Accumulated impairment losses						
At 1 January/31 December	5,601	–	–	–	–	5,601
Carrying amount						
At 31 December	687,098	169,943	18,816,442	10,707,359	13,847,143	44,227,985

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Property, Plant and Equipment (Cont'd)

	Company	
	2023 RM	2022 RM
Office equipment		
Cost		
At 1 January/31 December	4,500	4,500
Accumulated depreciation		
At 1 January	2,475	2,025
Charge for the financial year	450	450
At 31 December	2,925	2,475
Carrying amount		
At 31 December	1,575	2,025

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	
	2023 RM	2022 RM
Aggregate costs	19,450,833	6,639,102
Less: Offset with other payables	(6,883,464)	(1,492,433)
Cash payments	12,567,369	5,146,669

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
2023							
Group							
Cost							
At 1 January	479,347,963	13,418,839	1,956,261	24,934,547	66,253,970	82,904,881	668,816,461
Additions	957,437	2,612,698	71,982	184,408	22,344,473	-	26,170,998
Transfer from inventories	2,302,280	-	-	-	-	-	2,302,280
Expiration of lease contracts	(349,988)	-	(65,381)	-	-	-	(415,369)
Transfer to investment properties	(1,085,108)	-	-	-	-	-	(1,085,108)
Transfer to property, plant and equipment	(271,987)	(1,703,901)	-	-	(4,997,508)	-	(6,973,396)
Disposals	-	(409,375)	-	-	-	-	(409,375)
Exchange differences	8,727,090	-	-	336,472	-	2,386,000	11,449,562
At 31 December	489,627,687	13,918,261	1,962,862	25,455,427	83,600,935	85,290,881	699,856,053

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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
2023							
Group							
Accumulated depreciation							
At 1 January	192,838,005	7,583,197	1,158,931	16,252,175	17,359,029	81,849,443	317,040,780
Charge for the financial year	13,805,230	1,948,868	392,781	2,210,839	7,797,210	263,338	26,418,266
Expiration of lease contracts	(327,769)	–	(65,880)	–	–	–	(393,649)
Transfer to investment properties	(56,556)	–	–	–	–	–	(56,556)
Transfer to property, plant and equipment	(244,788)	(1,626,742)	–	–	(2,130,725)	–	(4,002,255)
Disposals	–	(409,374)	–	–	–	–	(409,374)
Exchange differences	4,616,130	–	–	296,742	–	2,356,583	7,269,455
At 31 December	210,630,252	7,495,949	1,485,832	18,759,756	23,025,514	84,469,364	345,866,667
Accumulated impairment losses							
At 1 January	2,225,908	–	–	–	–	–	2,225,908
Transfer to investment properties	(90,434)	–	–	–	–	–	(90,434)
At 31 December	2,135,474	–	–	–	–	–	2,135,474
Carrying amount							
At 31 December	276,861,961	6,422,312	477,030	6,695,671	60,575,421	821,517	351,853,912

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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
2022							
Group							
Cost							
At 1 January	492,095,436	12,637,052	2,194,802	24,226,719	63,376,574	85,944,375	680,474,958
Additions	230,673	4,180,400	31,458	1,042,540	4,294,708	–	9,779,779
Transfer from capital work-in-progress	–	–	–	92,219	–	–	92,219
Expiration of lease contracts	(90,377)	–	(269,999)	–	–	–	(360,376)
Transfer to investment properties	(1,788,315)	–	–	–	–	–	(1,788,315)
Transfer to property, plant and equipment	–	(2,559,006)	–	–	(1,417,312)	–	(3,976,318)
Disposals	–	(839,607)	–	–	–	–	(839,607)
Exchange differences	(11,099,454)	–	–	(426,931)	–	(3,039,494)	(14,565,879)
At 31 December	479,347,963	13,418,839	1,956,261	24,934,547	66,253,970	82,904,881	668,816,461
Accumulated depreciation							
At 1 January	184,656,662	8,523,210	1,099,148	14,058,857	12,790,577	84,583,916	305,712,370
Charge for the financial year	14,091,765	2,163,160	432,841	2,566,184	5,653,106	266,103	25,173,159
Reclassification	103,059	–	(103,059)	–	–	–	–
Expiration of lease contracts	(72,566)	–	(269,999)	–	–	–	(342,565)
Transfer to investment properties	(109,281)	–	–	–	–	–	(109,281)
Transfer to property, plant and equipment	–	(2,338,303)	–	–	(1,084,654)	–	(3,422,957)
Disposals	–	(764,870)	–	–	–	–	(764,870)
Exchange differences	(5,831,634)	–	–	(372,866)	–	(3,000,576)	(9,205,076)
At 31 December	192,838,005	7,583,197	1,158,931	16,252,175	17,359,029	81,849,443	317,040,780
Accumulated impairment losses							
At 1 January/ 31 December	2,225,908	–	–	–	–	–	2,225,908
Carrying amount							
At 31 December	284,284,050	5,835,642	797,330	8,682,372	48,894,941	1,055,438	349,549,773

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 RM110,688,598 (2022: RM113,980,784) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 31(a) and 33(a).

(b) The net carrying amount of right-of-use assets of the Group acquired under lease arrangement are as follows:

	2023 RM	Group 2022 RM
Motor vehicles	6,422,312	5,835,646
Office equipment	259,616	519,231
Plant and machinery	60,575,421	48,894,943
	67,257,349	55,249,820

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:

	2023 RM	Group 2022 RM
Aggregate costs	26,170,998	9,779,779
Less: Lease financing	(21,742,234)	(8,130,967)
Less: Offset with other payables	(572,000)	378,600
Cash payments	3,856,764	2,027,412

(d) The remaining lease period of the leasehold land and buildings range from 20 to 94 (2022: 21 to 95) years.

(e) Leasehold land with carrying amount of RM137,249,054 (2022: RM140,080,009) situated in mainland China is held under medium term lease.

Management has performed an impairment assessment on the carrying amount of the leasehold land by reference to a report prepared by an independent certified valuer on such leasehold land, and concluded that the leasehold land has not impaired.

NOTES TO THE FINANCIAL STATEMENTS

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6. Capital Work-In-Progress

	2023 RM	Group 2022 RM
At 1 January	24,900,012	20,820,195
Additions	1,879,588	4,141,551
Transfer to property, plant and equipment (Note 4)	(398,107)	(290,602)
Transfer to right-of-use assets (Note 5)	–	(92,219)
Transfer from land held for property development and property development costs [Note 7(a)]	1,068,664	1,352,686
Written off	(2,786,305)	(1,618,185)
Exchange differences	518,959	586,586
At 31 December	25,182,811	24,900,012

Included in capital work-in-progress of the Group is an amount of RMNil (2022: RM11,098,951) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 31(b).

7. Inventories

	Note	2023 RM	Group 2022 RM
Non-current			
Land held for property development and property development costs	(a)	1,301,413,954	1,297,811,985
Current			
Land held for property development and property development costs	(a)	466,767,898	418,424,462
Completed properties	(b)	91,152,761	119,992,722
Other inventories	(c)	4,505,872	2,710,521
		562,426,531	541,127,705

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. Inventories (Cont'd)

(a) Land held for property development and property development costs

	2023 RM	Group 2022 RM
Non-current		
Freehold land, at cost		
At 1 January	88,678,912	92,670,620
Transfer to current portion	–	(3,991,708)
Transfer from property development costs	7,810,000	–
At 31 December	96,488,912	88,678,912
Long-term leasehold land, at cost		
At 1 January	422,889,277	421,170,296
Additions/(Reversals)	16,202,380	(7,829)
Transfer (to)/from current portion	(66,691,852)	19,688,010
Transfer to property development costs	–	(461,200)
Written down	–	(17,500,000)
At 31 December	372,399,805	422,889,277
Property development costs		
At 1 January	786,243,796	649,917,901
Additions	84,264,628	85,123,116
Acquisition of subsidiary	14,111,472	–
Transfer to current portion	(41,459,243)	(5,044,372)
Transfer to freehold land	(7,810,000)	–
Transfer from leasehold land	–	461,200
Transfer to capital work-in-progress	(35,000)	–
Transfer (to)/from other receivables	(10,400)	56,082,784
Transfer to profit or loss	(2,515,925)	–
Written off	(264,091)	(296,833)
At 31 December	832,525,237	786,243,796
Total non-current land held for property development and property development costs	1,301,413,954	1,297,811,985

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. Inventories (Cont'd)

(a) Land held for property development and property development costs (Cont'd)

	2023 RM	Group 2022 RM
Current		
Freehold land, at cost		
At 1 January	5,462,681	20,764,815
Additions	593,980	–
Transfer from non-current portion	–	3,991,708
Portion related to completed projects	(876,320)	(19,293,842)
At 31 December	5,180,341	5,462,681
Long-term leasehold land, at cost		
At 1 January	221,849,827	237,444,279
Additions	10,924,244	10,771,741
Transfer from/(to) non-current portion	66,691,852	(19,688,010)
Portion related to completed projects	(78,057,995)	(6,180,569)
Transfer to completed properties	(113,042)	(497,614)
At 31 December	221,294,886	221,849,827
Property development costs		
At 1 January	1,759,579,772	1,669,869,525
Additions	1,329,362,595	928,364,218
Transfer from non-current portion	41,459,243	5,044,372
Portion related to completed projects	(1,522,214,243)	(805,666,563)
Transfer to profit or loss	(1,980,314)	–
Transfer (to)/from capital work-in-progress	(1,033,664)	(1,352,686)
Transfer to completed properties	(7,033,894)	(36,559,381)
Transfer to property, plant and equipment	(78,343)	(119,713)
Written off	(675,743)	–
At 31 December	1,597,385,409	1,759,579,772
Less: Costs recognised in profit or loss		
At 1 January	1,568,467,818	1,182,620,256
Recognised during the financial year	1,389,773,478	1,216,988,536
Portion related to completed projects	2,958,241,296 (1,601,148,558)	2,399,608,792 (831,140,974)
At 31 December	1,357,092,738	1,568,467,818
Total current land held for property development and property development costs	466,767,898	418,424,462

(i) Certain land held for property development and property development costs are pledged as securities for banking facilities and Sukuk granted to the Group as disclosed in Notes 31(c), 32(a) and 33(b) respectively.

(ii) Included under property development costs incurred during the financial year are borrowing costs of RM3,673,844 (2022: RM1,658,970) as disclosed in Note 36.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

7. Inventories (Cont'd)

(b) Completed properties

	2023 RM	Group 2022 RM
At cost:		
Completed properties	89,494,999	111,132,901
At net realisable value:		
Completed properties	1,657,762	8,859,821
	91,152,761	119,992,722

	2023 RM	Group 2022 RM
At 1 January	119,992,722	232,205,268
Transfer from land held for property development and property development costs	7,146,936	37,056,995
Transfer to investment properties	–	(28,959,396)
Transfer to right-of-use assets	(2,302,280)	–
Written down	(48,391)	–
Written off	(737,524)	–
Donation	(186,320)	–
Recognised during the financial year	(32,712,382)	(120,310,145)
At 31 December	91,152,761	119,992,722

The completed properties with carrying amount of RM43,196,953 (2022: RM49,997,811) have been pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiaries as disclosed in Notes 31(d) and 33(f) respectively.

(c) Other inventories

	2023 RM	Group 2022 RM
At cost:		
Raw materials	3,435,704	1,736,236
Consumable foods	182,160	218,299
Spare parts and consumables	888,008	755,986
	4,505,872	2,710,521

	2023 RM	Group 2022 RM
Recognised in profit or loss:		
Cost of sales	35,135,713	20,623,804
Written off	–	3,607

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Investment Properties

	2023 RM	Group 2022 RM
Cost		
At 1 January	210,518,796	177,908,885
Transfer from inventories	–	28,959,396
Transfer from right-of-use assets	1,085,108	1,788,315
Transfer from assets held for sale	–	1,862,200
At 31 December	211,603,904	210,518,796
Accumulated depreciation		
At 1 January	17,678,368	15,290,333
Charge for the financial year	2,736,939	2,333,019
Transfer from right-of-use assets	56,556	109,281
Transfer to assets held for sale	–	(54,265)
At 31 December	20,471,863	17,678,368
Accumulated impairment losses		
At 1 January	1,018,093	476,307
Impairment losses for the financial year	199,805	603,586
Transfer from right-of-use assets	90,434	–
Transfer to assets held for sale	–	(61,800)
At 31 December	1,308,332	1,018,093
Carrying amount		
At 31 December	189,823,709	191,822,335
Included in the above are:		
At cost		
Leasehold land and buildings	48,846,919	47,771,262
Commercial properties	162,756,985	162,747,534
	211,603,904	210,518,796
Fair value		
At 31 December	241,426,000	243,370,193

(a) Investment properties pledged as securities

Investment properties with carrying amount of RM154,201,656 (2022: RM155,246,063) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 31(e) and 33(c) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Investment Properties (Cont'd)

(b) Investment properties under leases

Certain investment properties with carrying amount of RM938,118 (2022: RM1,679,034) have been transferred from right-of-use 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 66 to 94 (2022: 67 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 one to three years.

(c) Fair value basis of investment properties

Fair value of investment properties is arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered external valuers having appropriate recognised professional qualification and experiences in the locations and category of properties being valued. The fair value are within Level 2 of the fair value hierarchy.

There were no transfers between levels during the current and previous financial year.

(d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	2023 RM	Group 2022 RM
Rental income	11,685,747	8,576,272
Direct operating expenses:		
- Income generating investment properties	8,437,372	6,457,163
- Non-income generating investment properties	162,946	145,557

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries

(a) Investment in subsidiaries

	2023 RM	Company 2022 RM
In Malaysia		
Quoted shares, at cost	234,084,597	234,084,597
Unquoted shares, at cost	518,204,399	518,292,690
	752,288,996	752,377,287
Less: Accumulated impairment losses	(999)	(89,392)
	752,287,997	752,287,895
Outside Malaysia		
Unquoted shares, at cost	3,728	3,728
	752,291,725	752,291,623

The Group's subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group except as disclosed in Note 9(e).

Certain listed securities have been pledged as securities to partially secure the banking facilities as disclosed in Notes 31(g) and 33(e) respectively.

Details of the subsidiaries are disclosed in Note 51.

The movements in the allowance for impairment losses of investment in subsidiaries are as follows:

	2023 RM	Company 2022 RM
At 1 January	89,392	89,392
Reversal of impairment losses during the financial year	(88,393)	-
At 31 December	999	89,392

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(b) Acquisition of subsidiaries

31 December 2023

(i) On 14 February 2023, the Company has undertaken internal restructuring whereby LBS Bina Holdings Sdn. Bhd. ("LBS Bina") disposed of all the equity interest in Setara Armada Sdn. Bhd. ("SASB") to the Company for a total cash consideration of RM1 only.

The Company also acquired 700,000 ordinary shares, representing 70% equity interest in SASB for a total cash consideration of RM1 only. Consequently, SASB became a wholly-owned subsidiary of the Company.

(ii) On 4 April 2023, LBS Bina acquired 17,850 ordinary shares, representing 51% equity interest in Bendera Berlian Sdn. Bhd. ("BBSB") for a total cash consideration of RM2 only. Consequently, BBSB became a wholly-owned subsidiary of LBS Bina.

(iii) On 10 May 2023, LBS Bina acquired 500,000 ordinary shares, representing 100% equity interest in Pelangi Kolonel Sdn. Bhd. ("PKSB") for a total cash consideration of RM9,000 only. Consequently, PKSB became a wholly-owned subsidiary of LBS Bina.

31 December 2022

On 25 July 2022, MGB Land Sdn. Bhd. ("MGBLSB"), a wholly-owned subsidiary of MGB Berhad ("MGB"), an indirect 58.65% subsidiary of the Company, acquired 1,000,000 ordinary shares, representing 100% equity interest in Retro Court Sdn. Bhd. ("RCSB") for a total cash consideration of RM973,000 only. Consequently, RCSB became a wholly-owned subsidiary of MGBLSB.

The effect of the acquisition on the financial results of the Group in respect of the financial year is as follows:

	2023 RM	Group 2022 RM
Interest income	33,996	–
Administrative and operating expenses	(43,349)	(4)
Finance costs	(54,846)	–
Loss before tax	(64,199)	(4)
Taxation	(9,896)	–
Total comprehensive loss for the financial year	(74,095)	(4)
Net loss for the financial year attributable to owners of the parent	(74,095)	(4)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiaries have contributed loss of RM74,095 (2022: RM4) to the Group for the financial year. If the business combination had taken place at the beginning of the financial year, the Group's loss for the financial year would have been increased by RM75,880 (2022: RM43,927).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(b) Acquisition of subsidiaries (Cont'd)

The following summaries the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

	2023 RM	Group 2022 RM
Fair value of identifiable assets acquired and liabilities assumed		
Property, plant and equipment	28,334	–
Inventories	14,111,472	–
Trade and other receivables	27,800	3,000,320
Cash and bank balances	345,842	31,940
Trade and other payables	(14,516,801)	(2,103,713)
Total identifiable assets and liabilities	(3,353)	928,547

Net cash (inflows)/outflows arising from the acquisition is as follows:

	2023 RM	Group 2022 RM
Purchase consideration satisfied by cash	9,004	973,000
Less: Cash and bank balances acquired	(345,842)	(31,940)
Net cash (inflows)/outflows from the acquisition of subsidiaries	(336,838)	941,060

Goodwill was recognised as a result of the acquisition as follows:

	2023 RM	Group 2022 RM
Fair value of consideration transferred	9,004	973,000
Fair value of existing interest in acquiree	17,150	–
Fair value of identifiable assets acquired and liabilities assumed	3,353	(928,547)
Goodwill on consolidation	29,507	44,453

The goodwill recognised arising from the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiary into the Group's property development business.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(c) Incorporation of subsidiaries

31 December 2023

- (i) On 7 February 2023, LBS Bina had subscribed for 100 ordinary shares in STP Desa Pembangunan Sdn. Bhd. ("SDPSB") for a total cash consideration of RM100 only. Consequently, SDPSB became a wholly-owned subsidiary of LBS Bina.
- (ii) On 7 February 2023, LBS Bina had subscribed for 100 ordinary shares in Sejuta Bina Sdn. Bhd. ("SBSB") for a total cash consideration of RM100 only. Consequently, SBSB became a wholly-owned subsidiary of LBS Bina.
- (iii) On 20 February 2023, LBS Bina had subscribed for 100 ordinary shares in Green Technology Solar Sdn. Bhd. ("GTSSB") for a total cash consideration of RM100 only. Consequently, GTSSB became a wholly-owned subsidiary of LBS Bina.
- (iv) On 18 May 2023, LBS Bina had subscribed for 100 ordinary shares in LBS Healthcare Sdn. Bhd. ("LHSB") for a total cash consideration of RM100 only. Consequently, LHSB became a wholly-owned subsidiary of LBS Bina.
- (v) On 8 June 2023, the Company had subscribed for 100 ordinary shares in LBS Wellness Holdings Sdn. Bhd. ("LWHSB") for a total cash consideration of RM100 only. Consequently, LWHSB became a wholly-owned subsidiary of the Company.
- (vi) On 7 July 2023, LBS Bina had subscribed for 100 ordinary shares in Central Valley Ventures Sdn. Bhd. ("CVVSB") for a total cash consideration of RM100 only. Consequently, CVVSB became a wholly-owned subsidiary of LBS Bina.

31 December 2022

- (i) On 14 March 2022, MGBLSB incorporated Idaman Rawang Sdn. Bhd. ("IRSB") with an initial paid-up share capital of RM1 comprising of 1 ordinary share. MGBLSB subscribed for 1 ordinary share in IRSB for a total cash consideration of RM1 only. Consequently, IRSB became a wholly-owned subsidiary of MGBLSB.
- (ii) On 22 March 2022, Casa Inspirasi Sdn. Bhd. ("CISB"), a 69% owned subsidiary of LBS Bina, incorporated Seri Aliran Sdn. Bhd. with an initial paid-up share capital of RM100 comprising of 100 ordinary shares. CISB subscribed for 100 ordinary shares in Seri Aliran Sdn. Bhd. for a total cash consideration of RM100 only. Consequently, Seri Aliran Sdn. Bhd. became a wholly-owned subsidiary of CISB.
- (iii) On 7 November 2022, MGB Construction Sdn. Bhd. ("MGBC"), a wholly-owned subsidiary of MGB, incorporated MGB International for Industry ("MII"), a Limited Liability Company in Kingdom of Saudi Arabia, with an initial paid-up share capital of SAR125,000 comprising of 12,500 ordinary shares of SAR10 per ordinary share. MGBC subscribed for 12,500 ordinary shares in MII for a total cash consideration of SAR125,000 (approximately RM145,905) only. Consequently, MII became a wholly-owned subsidiary of MGBC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(d) Changes in equity interest in subsidiaries

31 December 2023

(i) On 2 March 2023, LBS Bina disposed of 30% equity interest in SDPSB for a total cash consideration of RM30 only. Consequently, SDPSB became a 70% owned subsidiary of LBS Bina.

On 16 August 2023, LBS Bina acquired 30 ordinary shares, representing 30% equity interest in SDPSB for a total cash consideration of RM30 only. Consequently, SDPSB became a wholly-owned subsidiary of LBS Bina.

(ii) On 7 April 2023, LBS Bina acquired additional 25,000 ordinary shares, representing 10% equity interest in Koleksi Sigma Sdn. Bhd. ("KSSB") for a total cash consideration of RM4,100,000 only. Consequently, KSSB became a 85% owned subsidiary of LBS Bina.

(iii) On 15 September 2023, LBS Bina disposed of 30% equity interest in CVVSB for a total cash consideration of RM30 only. Consequently, CVVSB became a 70% owned subsidiary of LBS Bina.

31 December 2022

Changes in equity interest in Kemudi Ehsan Sdn. Bhd. ("KESB")

During the financial year, LBS Bina's equity interest in KESB has increased from 82% to 100% as a result of the followings:

(i) On 14 February 2022, acquisition of 600,000 ordinary shares, representing 6% equity interest in KESB for a total cash consideration of RM9,000,000 only.

(ii) On 2 November 2022, acquisition of 900,000 ordinary shares, representing 9% equity interest in KESB for a total cash consideration of RM15,000,000 only.

(iii) On 14 November 2022, acquisition of 150,000 ordinary shares, representing 1.5% equity interest in KESB for a total cash consideration of RM2,500,000 only.

(iv) On 16 December 2022, acquisition of 150,000 ordinary shares, representing 1.5% equity interest in KESB for a total cash consideration of RM2,500,000 only.

The effect of changes in the equity interest that is attributable to the owners of the parent is as follows:

	2023 RM	Group 2022 RM
Carrying amount of non-controlling interests acquired	1,566,168	23,432,461
Net consideration paid to non-controlling interests	(4,099,323)	(29,000,000)
Increase in parent's equity	(2,533,155)	(5,567,539)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(e) Material partly-owned subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2023 %	2022 %	2023 RM	2022 RM	2023 RM	2022 RM
MGB Group *	41.35	41.35	19,919,939	6,242,357	228,622,038	209,791,086
Zhuhai International Circuit Limited ("ZIC")	40.00	40.00	(1,910,917)	(2,964,204)	(48,343,364)	(44,470,290)
Koleksi Sigma Sdn. Bhd. ("KSSB")	85.00	75.00	5,475,450	4,981,218	5,885,216	2,108,244
Casa Inspirasi Sdn. Bhd. ("CISB")	69.00	69.00	(2,565,476)	#	(2,459,161)	#
Kemudi Ehsan Sdn. Bhd. ("KESB") **	-	-	-	4,351,065	-	-
Individually immaterial subsidiaries with non-controlling interests					183,704,729 (16,894,537)	167,429,040 (14,344,515)
Total non-controlling interests					166,810,192	153,084,525

* MGB Group represents MGB and its subsidiaries

** Became a wholly-owned subsidiary during the financial year

Immaterial subsidiary with non-controlling interests

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised Statements of Financial Position

	MGB Group RM	ZIC RM	KSSB RM	CISB RM
2023				
Non-current assets	424,227,105	144,298,308	82,785,053	129,405,828
Current assets	698,800,695	52,075,053	159,648,145	43,581,025
Non-current liabilities	(55,505,641)	(190,020,934)	-	(13,624,665)
Current liabilities	(513,007,611)	(117,330,195)	(203,198,423)	(167,293,224)
Net assets/(liabilities)	554,514,548	(110,977,768)	39,234,775	(7,931,036)
Equity attributable to:				
Owners of the parent	552,925,215	(62,634,404)	39,234,775	(7,931,036)
Non-controlling interests	1,589,333	(48,343,364)	-	-
Total equity	554,514,548	(110,977,768)	39,234,775	(7,931,036)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(i) Summarised Statements of Financial Position (Cont'd)

	MGB Group RM	ZIC RM	KESB* RM	KSSB RM
2022				
Non-current assets	398,643,626	147,951,442	123,672,223	68,258,556
Current assets	518,113,362	48,779,051	325,590,958	181,648,629
Non-current liabilities	(56,441,776)	(185,717,899)	(131,120,651)	–
Current liabilities	(353,629,178)	(112,721,332)	(170,524,950)	(241,474,211)
Net assets/(liabilities)	506,686,034	(101,708,738)	147,617,580	8,432,974
Equity attributable to:				
Owners of the parent	507,384,822	(57,238,448)	147,617,580	8,432,974
Non-controlling interests	(698,788)	(44,470,290)	–	–
Total equity	506,686,034	(101,708,738)	147,617,580	8,432,974

* Kemudi Ehsan Sdn. Bhd. ("KESB") became a wholly-owned subsidiary during the financial year.

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	MGB Group RM	ZIC RM	KSSB RM	CISB RM
2023				
Revenue	971,828,165	13,670,264	303,299,093	13,616,483
Net profit/(loss) for the financial year	48,173,974	(6,318,794)	30,801,801	(8,275,730)
Other comprehensive income for the financial year	318,716	1,541,501	–	–
Total comprehensive income/(loss) for the financial year	48,492,690	(4,777,293)	30,801,801	(8,275,730)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

	MGB Group RM	ZIC RM	KESB* RM	KSSB RM
2022				
Revenue	612,801,214	14,841,261	390,034,809	224,684,696
Net profit/(loss) for the financial year	15,096,389	(11,799,864)	41,612,519	19,924,873
Other comprehensive income for the financial year	–	4,389,353	–	–
Total comprehensive income/(loss) for the financial year	15,096,389	(7,410,511)	41,612,519	19,924,873

(iii) Summarised Statements of Cash Flows

	MGB Group RM	ZIC RM	KSSB RM	CISB RM
2023				
Net cash from/(used in) operating activities	55,204,295	4,611,668	96,430,636	(35,028,130)
Net cash (used in)/from investing activities	(12,949,340)	(14,576)	(6,300)	531,903
Net cash (used in)/from financing activities	(40,883,560)	–	(9,826,972)	34,503,003
Net increase in cash and cash equivalents	1,371,395	4,597,092	86,597,364	6,776
	MGB Group RM	ZIC RM	KESB* RM	KSSB RM
2022				
Net cash (used in)/from operating activities	(2,527,495)	1,234,341	99,304,108	1,262,195
Net cash used in investing activities	(3,939,209)	(793,622)	(47,827,960)	–
Net cash from/(used in) financing activities	7,792,913	–	(5,452,709)	3,394,016
Net increase in cash and cash equivalents	1,326,209	440,719	46,023,439	4,656,211

* Kemudi Ehsan Sdn. Bhd. ("KESB") became a wholly-owned subsidiary during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

- (f) Disposal of a subsidiary

31 December 2022

On 3 January 2022, MGB Construction & Engineering Sdn. Bhd. ("MGBCE"), a wholly-owned subsidiary of MGB had entered into a Share Sale Agreement for the disposal of all the equity interest in Prisma Craft Sdn. Bhd. ("PCSB") for a total cash consideration of RM750,000 only. Consequently, PCSB has ceased to be a wholly-owned subsidiary of MGBCE. The subsidiary was previously reported as part of others segment as it is dormant.

The effect of the disposal of PCSB on the financial position of the Group at the date of disposal was as follows:

Fair value of identifiable assets acquired and liabilities assumed

	Group 2022 RM
Other receivables	157,488
Cash and bank balances	2,429
Other payables	(9,655)
Total net assets disposed	150,262
Gain on disposal	599,738
Proceeds from disposal	750,000
Less: Cash and bank balances disposed	(2,429)
Net cash inflows from disposal	747,571

- (g) Internal re-organisation

31 December 2023

(i) On 30 March 2023, MGB Construction & Engineering Sdn. Bhd. ("MGBCE"), a wholly-owned subsidiary of MGB, an indirect 58.65% subsidiary of the Company, has undertaken internal restructuring whereby MGBCE, disposed all the equity interest in MGB Development Sdn. Bhd. ("MDSB") (formerly known as MGB Kampar Development Sdn. Bhd.) to MGBLSB for a total cash consideration of RM750,000 only. Consequently, MDSB became a wholly-owned subsidiary of MGBLSB.

(ii) On 31 July 2023, the Company has undertaken internal restructuring whereby LBS Bina has disposed of all its equity interest in LHSB for a total cash consideration of RM100 only.

LWHSB acquired 60 ordinary shares, representing 60% equity in LHSB for a cash consideration of RM60 only. Consequently, LHSB became a 60% subsidiary of LWHSB.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(g) Internal re-organisation (Cont'd)

31 December 2022

- (i) On 27 January 2022, LBS Bina acquired 1,000 ordinary shares, representing the entire equity interest in Nuevoprima Development Sdn. Bhd. ("NDSB"), an indirect wholly-owned subsidiary of the Company from Leaptec Engineering Sdn. Bhd. ("LESB"), an indirect subsidiary of LBS Bina, for a total cash consideration of RM1,000 only.
- (ii) On 28 January 2022, LBS Bina disposed 10 ordinary shares, representing the entire equity interest in Maju Kamabisa Sdn. Bhd. ("MKSB"), an indirect wholly-owned subsidiary of the Company to LESB, an indirect subsidiary of LBS Bina, for a total cash consideration of RM9,904 only.
- (iii) On 18 February 2022, the Company acquired 10,106,799 ordinary shares, representing the entire equity interest in Galeri Cepak Sdn. Bhd. ("GCSB"), an indirect wholly-owned subsidiary of the Company from LBS Bina, for a total cash consideration of RM97,348 only.

(h) Additional investments

31 December 2023

- (i) On 13 April 2023, MDSB had increased its paid-up share capital from 750,000 to 1,000,000 ordinary shares. MGBLSB has subscribed for additional 250,000 ordinary shares in MDSB by way of capitalisation.
- (ii) On 30 May 2023, GTSSB had increased its paid-up share capital from 100 to 1,000,000 ordinary shares. LBS Bina has subscribed for additional 999,900 ordinary shares in GTSSB for a total cash consideration of RM999,900 only.
- (iii) On 1 August 2023, LHSB had increased its paid-up share capital from 100 to 500,000 ordinary shares and LHSB has subscribed for 299,940 ordinary shares for a total cash consideration of RM299,940 and LHSB remained as a 60% subsidiary of LWHSB.
- (iv) On 10 October 2023, MGB International for Industry ("MII"), a wholly-owned subsidiary of MGB Construction Sdn. Bhd. ("MCSB"), an indirect wholly-owned subsidiary of MGB, had increased its paid-up share capital from 12,500 to 412,500 ordinary shares. MCSB has subscribed for an additional 400,000 ordinary shares in MII for a total cash consideration of SAR4,000,000 (approximately RM5,042,400.00) only.

31 December 2022

- (i) On 17 January 2022, Megah Solaris Sdn. Bhd. ("MSSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 8,987 to 25,987 ordinary shares. LBS Bina has subscribed for an additional 17,000 ordinary shares in MSSB for a total cash consideration of RM17,000 only.
- (ii) On 17 January 2022, Kalimah Jaya Sdn. Bhd. ("KJSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 3 to 24,003 ordinary shares. LBS Bina has subscribed for an additional 24,000 ordinary shares in KJSB for a total cash consideration of RM24,000 only.
- (iii) On 24 January 2022, Restu Bidara Sdn. Bhd. ("RBSB"), a wholly-owned subsidiary of Pelangi Homes Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 100 to 674,100 ordinary shares. LBS Bina has subscribed for additional 674,000 ordinary shares in RBSB for a total cash consideration of RM674,000 only.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

(h) Additional investments (Cont'd)

31 December 2022 (Cont'd)

- (iv) On 8 March 2022, LESB has increased its paid-up share capital from 2,000,000 to 2,500,000 ordinary shares. GCSB has subscribed for an additional 350,000 ordinary shares in LESB for a total cash consideration of RM350,000 only. Consequently, LESB remained 70% owned subsidiary of GCSB.
- (v) On 26 July 2022, MKSB had increased its paid-up share capital from 10 to 7,010 ordinary shares. LESB has subscribed for an additional 7,000 ordinary shares in MKSB for a total cash consideration of RM7,000 only.
- (vi) On 26 July 2022, NDSB had increased its paid-up share capital from 1,000 to 9,000 ordinary shares. LBS Bina has subscribed for an additional 8,000 ordinary shares in NDSB for a total cash consideration of RM8,000 only.
- (vii) On 10 August 2022, Pembangunan Primer Sdn. Bhd. ("PPSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 13,500,000 ordinary shares. LBS Bina has subscribed for an additional 13,000,000 ordinary shares in PPSB for a total cash consideration of RM13,000,000 only.
- (i) There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.
- (j) Winding-up of a subsidiary

On 6 July 2023, the Company's direct 60% owned dormant subsidiary, SPJ Construction Sdn. Bhd. ("SPJ") has been placed under Members' Voluntary Winding-up pursuant to Section 439 (1)(b) of the Companies Act 2016.

The Members' Voluntary Winding-up of SPJ will not have any material impact on the net assets and earnings per share of the Group for the financial year ended 31 December 2023.

(k) Strike off of subsidiaries

31 December 2022

Below mentioned subsidiaries were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016:

- (a) Healthguard Medical Sdn. Bhd., a 60% owned subsidiary of LBS Bina was struck off on 26 January 2023.
- (b) Megah Solaris Sdn. Bhd., a wholly-owned subsidiary of LBS Bina was struck off on 2 March 2023.
- (c) Nuevoprima Development Sdn. Bhd., a wholly-owned subsidiary of LBS Bina was struck off on 2 March 2023.
- (d) Bimbingan Simfoni Sdn. Bhd., a 51% owned subsidiary of LBS Bina was struck off on 24 March 2023.
- (e) Taman Sempurna Sdn. Bhd., a wholly-owned subsidiary of LBS Bina was struck off on 3 April 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. Investment in Subsidiaries (Cont'd)

The effect of striking off below mentioned subsidiaries on the financial position of the Group as at the date of strike off are as follows:

	Group 2022 RM
Other reserves	64,947
Non-controlling interests	(77,870)
Total equity	(12,923)
Gain on strike off	12,923
	-

10. Investment in Associates

(a) Investment in associates

	2023 RM	Group 2022 RM
At cost		
Unquoted shares in Malaysia	3,265,030	4,134,031
Less: Accumulated impairment losses	(76,287)	(409,969)
	3,188,743	3,724,062
Group's share of post acquisition reserves	(1,259,933)	(1,129,171)
Share of current year profit	505,052	82,486
Dividend received	(180,000)	(180,000)
	2,253,862	2,497,377

Details of the associates are disclosed in Note 52.

The movements in the allowance for impairment losses of investment in associates are as follows:

	2023 RM	Group 2022 RM
At 1 January	409,969	519,283
Disposal	(30,000)	-
Reversal of impairment losses during the financial year	(303,682)	(109,314)
At 31 December	76,287	409,969

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. Investment in Associates (Cont'd)

(a) Investment in associates (Cont'd)

(i) Disposal of associates

31 December 2023

- (a) On 14 February 2023, the Company has undertaken internal restructuring whereby LBS Bina disposed of all the equity interest in SASB to the Company for a total cash consideration of RM1 only.

The Company also acquired 700,000 ordinary shares, representing 70% equity interest in SASB for a total cash consideration of RM1 only. Consequently, SASB became a wholly-owned subsidiary of the Company.

- (b) On 4 April 2023, LBS Bina acquired 17,850 ordinary shares, representing 51% equity interest in Bendera Berlian Sdn. Bhd. ("BBSB") for a total cash consideration of RM2 only. Consequently, BBSB became a wholly-owned subsidiary of LBS Bina.

31 December 2022

- (a) On 23 February 2022, MGBCE has entered into Share Sale Agreement with a third party for the disposal of all the equity interest in YLT Consultancy Sdn. Bhd. ("YLT") for a total cash consideration of RM45,000 only. Consequently, YLT has ceased to be an associate of MGBCE.

- (b) On 3 November 2022, LBS Bina disposed of all the equity interest in PCSB for a total cash consideration of RM54,000 only. Consequently, PCSB has ceased to be a 49% owned associate of LBS Bina.

(ii) Acquisition of an associate

31 December 2022

On 15 July 2022, LBS Bina acquired 367,500 ordinary shares, representing 49% equity interest in PCSB for a total cash consideration of RM54,000 only. Consequently, PCSB became a 49% owned associate of LBS Bina.

(iii) Strike off of associates

31 December 2023

Sambungan Aktif Sdn. Bhd., an associate of LBS Bina was struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 9 April 2024.

31 December 2022

Pristine Sunrise (M) Sdn. Bhd., an associate of LBS Bina was struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 26 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

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10. Investment in Associates (Cont'd)

(a) Investment in associates (Cont'd)

(iv) Capital Reduction

31 December 2023

On 10 February 2023, BBSB, an associate of LBS Bina, had reduced its share capital from RM1,100,000 comprising 1,100,000 ordinary shares to RM35,000 comprising 35,000 ordinary shares by cancelling the shares capital of RM1,065,000 comprising 1,065,000 ordinary shares.

(b) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

	2023 RM	Group 2022 RM
Assets and liabilities		
Non-current assets	135,838	145,470
Current assets	2,112,216	3,021,406
Total assets	2,248,054	3,166,876
Non-current liabilities	(10,293)	(30,691)
Current liabilities	(711,787)	(1,780,546)
Total net assets	1,525,974	1,355,639
Financial results		
Revenue	2,855,678	2,679,565
Profit before tax	955,056	702,099
Taxation	(190,745)	(180,747)
Net profit for the financial year	764,311	521,352

The unrecognised share of losses of the associates is as follows:

	2023 RM	Group 2022 RM
At 1 January	348,053	327,954
Share of losses during the financial year	1,145	22,912
Reversal of share of losses on striking off an associate	(324,409)	(2,813)
At 31 December	24,789	348,053

(c) The Group's associates are individually immaterial to the financial position, financial performance and cash flows of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. Other Investments

	2023 RM	Group 2022 RM
Non-current Other investments At cost		
Transferable corporate club memberships	1,133,001	1,133,001
Accumulated impairment losses		
At 1 January	628,001	565,001
Impairment losses during the financial year	29,000	63,000
At 31 December	657,001	628,001
	476,000	505,000

During the financial year, an impairment loss of RM29,000 (2022: RM63,000) was provided for transferable corporate club memberships as there were decline in the fair value of these investments below their costs.

12. Goodwill on Consolidation

	2023 RM	Group 2022 RM
Cost		
At 1 January	184,783,377	184,738,924
Additions	29,507	44,453
At 31 December	184,812,884	184,783,377
Accumulated impairment losses		
At 1 January	118,599,066	111,905,285
Additions	10,700,308	6,693,781
At 31 December	129,299,374	118,599,066
Carrying amount		
At 31 December	55,513,510	66,184,311

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to business segments as follows:

	2023 RM	Group 2022 RM
Property development	55,513,510	66,184,311

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

12. Goodwill on Consolidation (Cont'd)

- (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	
	2023 RM	2022 RM
Pre-tax discount rate (per annum)	6%	6%

- (i) Growth rate - Not applicable for property development segment as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU.
- (ii) Pre-tax discount rate - Rate that reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

- (c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

- (d) Impairment loss recognised during the financial year

The Group recognised an impairment loss of RM10,700,308 (2022: RM6,693,781) during the financial year in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiaries mainly undertake development projects which are expected to complete within the next 5 years. As a decrease in development activities or other significant cash generating activities is expected from the subsidiaries, the related goodwill has been impaired accordingly. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Trade Receivables

	2023 RM	Group 2022 RM
Non-current		
Trade receivables		
- Third parties	6,561,649	3,067,743
Less: Accumulated impairment losses	(541,391)	-
	6,020,258	3,067,743
Current		
Trade receivables		
- Third parties	253,172,975	360,738,370
- Related parties	656,513	7,836
	253,829,488	360,746,206
Retention sum receivables		
- Third parties	97,730	824,737
	253,927,218	361,570,943
Less: Accumulated impairment losses	(3,464,220)	(3,166,088)
Total current trade receivables	250,462,998	358,404,855
Total trade receivables	256,483,256	361,472,598

The Group's normal trade credit terms range from 7 to 180 days (2022: 7 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 RM127,949,303 (2022: RM73,873,409) 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 (2022: 8 to 24 months).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group 2023			
At 1 January	314,585	2,851,503	3,166,088
Allowance for impairment losses	399,460	1,415,573	1,815,033
Written off	–	(148,459)	(148,459)
Reversal of allowance for impairment losses	(116,821)	(710,964)	(827,785)
Exchange differences	–	734	734
At 31 December	597,224	3,408,387	4,005,611
2022			
At 1 January	3,166,505	3,929,961	7,096,466
Allowance for impairment losses	169,661	852,077	1,021,738
Written off	–	(138,155)	(138,155)
Reversal of allowance for impairment losses	(3,021,581)	(1,791,227)	(4,812,808)
Exchange differences	–	(1,153)	(1,153)
At 31 December	314,585	2,851,503	3,166,088

Analysis of the trade receivables ageing are as follows:

	Gross Amount RM	Loss allowance RM	Net amount RM
Group 2023			
Not past due	181,231,785	(2,037)	181,229,748
Past due:			
Less than 30 days	40,146,609	(3,228)	40,143,381
31 to 60 days	6,248,603	(394)	6,248,209
More than 60 days	29,453,483	(591,565)	28,861,918
	75,848,695	(595,187)	75,253,508
Credit impaired:			
Individually impaired	3,408,387	(3,408,387)	–
	260,488,867	(4,005,611)	256,483,256
2022			
Not past due	198,940,370	(10,382)	198,929,988
Past due:			
Less than 30 days	25,791,980	(10,948)	25,781,032
31 to 60 days	23,980,778	(7,860)	23,972,918
More than 60 days	113,074,055	(285,395)	112,788,660
	162,846,813	(304,203)	162,542,610
Credit impaired:			
Individually impaired	2,851,503	(2,851,503)	–
	364,638,686	(3,166,088)	361,472,598

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. Trade Receivables (Cont'd)

Trade receivables that are not past due or past due

(i) Property development

Included in gross trade receivables were an amount of RM238,676,633 (2022: RM331,774,026), 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 2023, trade receivables that are individually determined to be impaired were RM1,603,963 (2022: RM1,798,502), mainly related to purchasers whom were in significant financial difficulties or have defaulted on payments. For those trade receivables that are individually impaired, the Group's internal legal department will follow up with enforcement activities.

(ii) Construction and trading

Included in gross trade receivables were an amount of RM12,908,103 (2022: RM23,431,432), 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 2023, trade receivables that are individually assessed to be impaired amounting to RM1,288,223 (2022: RM778,623), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2023, the Group provided lifetime impairment losses of RM498,630 (2022: RM99,170) based on customers' historical data as an assumption for possibility of default.

(iii) Others

Included in gross trade receivables were an amount of RM8,904,131 (2022: RM9,433,228), 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 2023, trade receivables that are individually assessed to be impaired amounting to RM516,201 (2022: RM274,378), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2023, the Group provided lifetime impairment losses of RM98,594 (2022: RM215,415) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. Deferred Tax Assets/(Liabilities)

	2023 RM	Group 2022 RM
At 1 January	39,654,162	19,055,108
Recognised in profit or loss	13,446,356	17,688,449
Crystallisation of deferred tax	1,709,374	1,778,706
Exchange differences	(881,169)	1,131,899
At 31 December	53,928,723	39,654,162

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	2023 RM	Group 2022 RM
Deferred tax assets	88,872,288	75,611,028
Deferred tax liabilities	(34,943,565)	(35,956,866)
	53,928,723	39,654,162

The components and movements of deferred tax assets and liabilities at the end of reporting period prior to offsetting are as follows:

Deferred tax assets of the Group

	Unutilised capital allowances RM	Unused tax losses RM	Retirement benefit obligations RM	Others RM	Total RM
2023					
At 1 January	8,522,848	1,055,992	1,364,794	75,629,110	86,572,744
Recognised in profit or loss	(2,363,194)	(647,289)	1,667,131	13,074,602	11,731,250
(Over)/Under provision in prior year	(2,423,848)	2,094,099	–	1,121,492	791,743
At 31 December (before offsetting)	3,735,806	2,502,802	3,031,925	89,825,204	99,095,737
Offsetting					(10,223,449)
At 31 December (after offsetting)					88,872,288

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of deferred tax assets and liabilities at the end of reporting period prior to offsetting are as follows: (Cont'd)

Deferred tax assets of the Group (Cont'd)

	Unutilised capital allowances RM	Unused tax losses RM	Retirement benefit obligations RM	Others RM	Total RM
2022					
At 1 January	4,670,358	1,225,216	–	59,218,663	65,114,237
Recognised in profit or loss	1,924,099	(551,249)	1,364,794	7,608,763	10,346,407
Under provision in prior year	1,928,391	382,025	–	8,801,684	11,112,100
At 31 December (before offsetting)	8,522,848	1,055,992	1,364,794	75,629,110	86,572,744
Offsetting					(10,961,716)
At 31 December (after offsetting)					75,611,028

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Others RM	Total RM
2023			
At 1 January	(46,381,156)	(537,426)	(46,918,582)
Recognised in profit or loss	131,807	(2,156,666)	(2,024,859)
Over/(Under) provision in prior year	2,981,469	(33,247)	2,948,222
Crystallisation of deferred tax	1,709,374	–	1,709,374
Exchange differences	(881,169)	–	(881,169)
At 31 December (before offsetting)	(42,439,675)	(2,727,339)	(45,167,014)
Offsetting			10,223,449
At 31 December (after offsetting)			(34,943,565)
2022			
At 1 January	(44,848,130)	(1,210,999)	(46,059,129)
Recognised in profit or loss	(2,882,782)	326,214	(2,556,568)
(Under)/Over provision in prior year	(1,560,849)	347,359	(1,213,490)
Crystallisation of deferred tax	1,778,706	–	1,778,706
Exchange differences	1,131,899	–	1,131,899
At 31 December (before offsetting)	(46,381,156)	(537,426)	(46,918,582)
Offsetting			10,961,716
At 31 December (after offsetting)			(35,956,866)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

14. Deferred Tax Assets/(Liabilities) (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	2023 RM	Group 2022 RM
Unutilised capital allowances	18,461,786	27,658,638
Unused tax losses	123,848,308	118,635,778
Deductible temporary differences	138,020,735	116,441,787
	280,330,829	262,736,203

Deferred tax assets have not been recognised in respect of these items due to uncertainty of their realisation or they have arisen in subsidiaries that have a recent history of losses.

The Group have the above unutilised capital allowances and unused tax losses carry forward, available to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

For the Malaysian entities, pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (i.e.: from year of assessment 2019 to 2028) under the current tax legislation.

The unused tax losses of the People's Republic of China ("PRC") will only be available for carry forward for a period of five (5) consecutive years.

The unused tax losses of the Hong Kong ("HK") can be carried forward indefinitely.

The unutilised capital allowances are allowed to be carried forward indefinitely.

The unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	2023 RM	Group 2022 RM
Unused tax losses:		
- expiring within five years	49,388,103	9,828,051
- expiring more than five years	74,424,208	108,771,730
- no expiry period	35,997	35,997
	123,848,308	118,635,778

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Contract Assets/(Liabilities)

	2023 RM	Group 2022 RM
<u>Contract assets</u>		
Construction contracts (a)	50,436	4,531,753
Property development activities (b)	456,641,842	633,839,143
	456,692,278	638,370,896
<u>Contract liabilities</u>		
Construction contracts (a)	(859,655)	(3,075,844)
Property development activities (b)	(2,906,251)	(28,116,448)
Racing circuit development and management (c)	(1,307,908)	(2,506,961)
Hotel (d)	(249,334)	(329,636)
	(5,323,148)	(34,028,889)

(a) Construction contracts

	2023 RM	Group 2022 RM
Contract cost incurred to-date	367,159,467	373,385,116
Attributable profits recognised to-date	52,962,445	51,953,763
	420,121,912	425,338,879
Less: Progress billings	(420,773,967)	(423,725,806)
Less: Accumulated impairment losses	(157,164)	(157,164)
	(809,219)	1,455,909
Presented as:		
Contract assets	50,436	4,531,753
Contract liabilities	(859,655)	(3,075,844)
	(809,219)	1,455,909

Included in contract cost incurred to-date during the financial year was finance cost of RMNil (2022: RM816,540).

Included in progress billings is retention sum of RM824,737 (2022: RM824,737).

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31 DECEMBER 2023

15. Contract Assets/(Liabilities) (Cont'd)

(a) Construction contracts (Cont'd)

Movements in the allowance for impairment losses of contract assets are as follows:

	2023 RM	Group 2022 RM
At 1 January / 31 December	157,164	157,164

The contract assets represent the unbilled amount for work completed. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised over time during the construction period.

(b) Property development activities

	2023 RM	Group 2022 RM
At 1 January	605,722,695	594,282,529
Property development revenue recognised during the financial year	1,712,687,146	1,507,082,795
Less: Billings during the financial year	(1,864,674,250)	(1,495,642,629)
At 31 December	453,735,591	605,722,695
Presented as:		
Contract assets	456,641,842	633,839,143
Contract liabilities	(2,906,251)	(28,116,448)
	453,735,591	605,722,695

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 represent the excess of revenue recognised in profit or loss over billings to purchasers. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional. Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 180 days.

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15. Contract Assets/(Liabilities) (Cont'd)

(c) Racing circuit development and management

	2023 RM	Group 2022 RM
Motor Racing	1,307,908	2,506,961
Movement of contract liabilities is as follows:		
At beginning of the financial year	2,506,961	1,481,720
Collection during the financial year	1,666,801	2,100,961
Revenue recognised during the financial year	(2,933,381)	(984,686)
Translation adjustment	67,527	(91,034)
	1,307,908	2,506,961

(d) Hotel

	2023 RM	Group 2022 RM
Hotel	249,334	329,636
Movement of contract liabilities is as follows:		
At beginning of the financial year	329,636	15,050
Collection during the financial year	311,248	384,102
Revenue recognised during the financial year	(221,900)	(69,516)
Expiration during the year	(169,650)	-
	249,334	329,636

The remaining unsatisfied performance obligation are expected to be recognised as revenue within next one year.

(e) 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.

(f) Set out below is the amount of revenue recognised from:

	2023 RM	Group 2022 RM
Amount included in contract liabilities at the beginning of the year	66,879,381	49,082,359

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16. Other Receivables

	2023 RM	Group 2022 RM
Current		
Other receivables		
- Third parties	37,077,781	39,364,463
- Related parties	314,013	957,789
	37,391,794	40,322,252
Less: Accumulated impairment losses		
- Third parties	(839,521)	(2,014,215)
	36,552,273	38,308,037
Deposits		
- Third parties	95,900,223	87,419,032
- Related parties	1,500	3,650
GST receivable	446,440	568,729
VAT receivable	522,549	320,281
Prepayments	65,301,420	64,580,898
Total other receivables	198,724,405	191,200,627
	2023 RM	Company 2022 RM
Current		
Other receivables		
- Third parties	214,018	358,395
- Related parties	950	950
Deposits	54,500	4,500
Prepayment	923,199	401,103
Total other receivables	1,192,667	764,948

Included in other receivables of the Group mainly comprise of the followings:

- (i) Deposits, prepaid purchase consideration and development expenses of RM91,782,438 (2022: RM78,177,324), paid for the acquisition and joint venture of development lands that have not been completed as at 31 December 2023. The balance of purchase consideration is disclosed as capital commitments in Note 49.
- (ii) An amount of RM34,190,672 (2022: RM33,007,037) paid for Certificate of Share Unit Formula (Sijil Formula Unit Syer - SiFUS) fees for strata title subdivision.
- (iii) An amount of RM2,699,003 (2022: RM2,699,003) provided for settlement with the purchasers of a development project of a subsidiary in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.
- (iv) An amount of RM587,843 (2022: RM587,843) arising from a project management agreement signed with a developer. The projects have been completed and collection is pending strata titles issuance and closure of Housing Development Accounts by the developer.

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16. Other Receivables (Cont'd)

The movements in the allowance for impairment losses (individually assessed) of other receivables are as follows:

	2023 RM	Group 2022 RM
At 1 January	2,014,215	2,632,170
Reversal of allowance for impairment losses	(329,013)	(617,955)
Written off	(845,681)	–
At 31 December	839,521	2,014,215

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) Subsidiaries

(a) Amount due from/(to) subsidiaries (Non-Current)

These represent unsecured, non-interest bearing advances and repayable after twelve months except for an amount of RM198,209,965 (2022: RM52,103,334) which bear interest at a rate of 2.80% to 10.00% (2022: at a rate of 1.81% to 9.75%) per annum.

(b) Amount due from/(to) subsidiaries (Current)

	2023 RM	Company 2022 RM
<u>Non-trade</u>		
Amount due from subsidiaries	382,591,435	597,462,576
Amount due to subsidiaries	(330,073)	–

This represents unsecured, non-interest bearing advances and repayable on demand except for an amount of RM382,303,100 (2022: RM597,462,576) which bear interest range from 2.80% to 10.00% (2022: 1.81% to 9.75%) per annum at the reporting date.

18. Amount Due from/(to) Associates

This represents trade in nature, unsecured, non-interest bearing and repayable on demand.

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19. Fixed Deposits with Licensed Banks

Included in fixed deposits of the Group and of the Company are amounts of RM72,982,123 and RM1,421,944 (2022: RM24,581,876 and RM1,041,793) respectively, which are pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiaries as disclosed in Notes 31(h) and 33(d) respectively.

The interest rates and maturities of deposits of the Group at the reporting date range from 1.40% to 3.80% (2022: 1.30% to 3.80%) per annum and 1 to 365 days (2022: 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 1.85% to 3.62% (2022: 1.50% to 2.65%) per annum and 1 to 365 days (2022: 1 to 365 days) respectively.

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 0.90% to 1.70% (2022: 0.30% to 1.70%) 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 RM6,837,751 and RM1,741,471 (2022: RM1,250,055 and RM310,623) respectively, which have been pledged to licensed banks for banking facilities granted to the Group and to the Company as disclosed in Notes 31(f) and 32(b) respectively.

22. Assets Held for Sale

	Note	Group 2023 RM	2022 RM
Leasehold buildings	8	–	221,735

In December 2022, SPJ Construction Sdn. Bhd., a subsidiary of LBS Bina, have decided to dispose of two units of leasehold buildings. The asset had been written down to their fair value less costs to sell. This is non-recurring fair value which has been measured using observable inputs, being prices for recent sales of similar building, and is therefore within Level 2 of the fair value hierarchy. The disposal was completed in current financial year.

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23. Share Capital

	Number of shares		Group/Company Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid ordinary shares				
At 1 January/ 31 December	1,569,245,151	1,569,245,151	819,378,365	819,378,365
Redeemable Convertible Preference Shares ("RCPS")				
At 1 January/ 31 December	94,099,035	94,099,035	103,508,939	103,508,939
Total	1,663,344,186	1,663,344,186	922,887,304	922,887,304

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

Redeemable Convertible Preference Shares ("RCPS")

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

The salient terms of the RCPS are as follows:

- (a) The Company shall at its discretion and subject to the availability of distributable profits pay out a targeted preferential dividend of 6% in each financial year calculated on the issue price of the RCPS from and including the Issue Date i.e. 8 August 2017 until the date of redemption of the RCPS.
- (b) The preferential dividends, if declared, shall be payable annually in arrears, subject to availability of distributable profits. Although annual payments are anticipated as disclosed above, the Company may defer, in part or in whole, such payments depending on availability of distributable profits ("Deferred Dividends"). For avoidance of doubt, the Company is not obliged to pay any dividends or Deferred Dividends, as the case may be, in the event that it has insufficient distributable profits.
- (c) The RCPS shall be convertible, at the option of the holder of RCPS, at any time commencing from the Issue Date up to the relevant redemption date of the RCPS, into such number of fully-paid new ordinary shares of the Company, without payment of any consideration, in accordance with the Conversion Ratio.
- (d) Subject to the provisions of the Companies Act 2016 and any other applicable legislation, the Company may at any time on or after the 5th anniversary of the Issue Date, at its discretion, redeem all (and not some only) of the outstanding RCPS by giving notice in writing not less than 30 days prior to the redemption date to the holders of RCPS of its intention to do so.
- (e) The RCPS holders shall not have the right to vote at any general meeting of the Company except with regard to:
 - (i) when the dividend or part of the dividend payable on the RCPS is in arrears for more than six (6) months;
 - (ii) on any proposal to reduce the share capital of the Company;
 - (iii) on any proposal for the disposal of substantially the whole of the property, business and undertaking of the Company;
 - (iv) on any proposal that affects the rights and privileges attached to the RCPS; or

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23. Share Capital (Cont'd)

Redeemable Convertible Preference Shares ("RCPS") (Cont'd)

(e) The RCPS holders shall not have the right to vote at any general meeting of the Company except with regard to: (cont'd)

(v) on any proposal to wind-up the Company or during the winding-up of the Company;

in which case, the RCPS holders shall be entitled to vote together with the holders of Shares by way of poll and each RCPS holders shall be entitled to one (1) vote for each Share into the RPCS are convertible upon exercise of the Conversion Rights (at the Conversion Ratio) and every Share shall, notwithstanding any other provisions in this Constitution, carry one (1) vote for each such Share.

(f) The holders of RCPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders of ordinary shares are entitled.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2023, the total number of RCPS that remain unexercised was 94,099,035 (2022: 94,099,035).

24. Treasury Shares

	Group/Company			
	Number of shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
At 1 January	16,837,194	8,585,194	6,659,459	3,190,894
Shares repurchased	12,403,800	8,252,000	5,257,590	3,468,565
At 31 December	29,240,994	16,837,194	11,917,049	6,659,459

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 20 June 2023, 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 12,403,800 (2022: 8,252,000) of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.42 (2022: RM0.42) per share. The total consideration paid for the repurchase including transaction costs was RM5,257,590 (2022: RM3,468,565). The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

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.

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25. Other Reserves

	Note	2023 RM	Group 2022 RM
Non-distributable			
ESOS reserves	(a)	–	–
Foreign currency translation reserves	(b)	127,466,457	124,598,185
Other reserves	(c)	(337,549,003)	(335,015,849)
		(210,082,546)	(210,417,664)

(a) ESOS reserves

	2023 RM	Group/Company 2022 RM
At 1 January	–	4,169,856
Realisation of ESOS reserves	–	(4,169,856)
At 31 December	–	–

Employees' Share Option Scheme reserves represent the equity-settled share options granted to employees. The reserves are made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry, cancellation or exercise of the share options.

Details of Employees' Share Option Scheme are disclosed in Note 40.

(b) Foreign currency translation reserves

The foreign currency translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Other reserves

Other reserves represent the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid.

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26. Perpetual Sukuk Musharakah (“Perpetual Sukuk”)

	Group/Company	
	2023	2022
	RM	RM
Issuance nominal value	223,000,000	223,000,000

The Company established a Perpetual Sukuk Musharakah Programme (“Programme”) of up to RM700 million in nominal value based on the Shariah principle of Musharakah.

On 30 March 2020, the Company made its first issuance pursuant to the Programme for the amount of RM130 million at nominal value and carrying a distribution rate of 6.80% per annum.

On 30 July 2021, the Company issued a second series of RM93 million pursuant to the Programme at its nominal value that carries a distribution rate of 6.85% per annum.

The Perpetual Sukuk is established to raise funds as and when required to be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk.

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Shariah principle of Musharakah;
- (b) The expected periodic distribution rates from year 1 to year 5 are ranging from 6.80% to 6.85% per annum payable semi-annually. The first call date for the first issuance and second series is on 28 March 2025 and 30 July 2026 respectively (“First Call Date”). If the Company does not exercise its option to redeem the Perpetual Sukuk on the First Call Date, the periodic distribution rate increases by 2.5% per annum in year 6 and subsequently the periodic distribution rate increases by additional 1% per annum on each anniversary of the First Call Date and subject to a maximum rate of 15% per annum;
- (c) No fixed redemption date but the Company has the option to redeem at the end of the fifth year from the date of issue and on each subsequent semi-annual periodic distribution date;
- (d) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:
 - (i) Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;
 - (ii) Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;
 - (iii) Change in Control Event - if Tan Sri Dato’ Sri Ir. (Dr.) 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.

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26. Perpetual Sukuk Musharakah ("Perpetual Sukuk") (Cont'd)

The salient features of the Perpetual Sukuk are as follows: (Cont'd)

- (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

	2023 RM	Group 2022 RM
Non-current		
Trade payables		
- Third parties	378,376,461	413,957,364
- Related party	33,633,332	36,539,900
	412,009,793	450,497,264
Current		
Trade payables		
- Third parties	361,833,493	304,278,784
- Related parties	7,100,803	7,077,267
	368,934,296	311,356,051
Retention sum		
- Third parties	110,250,391	101,145,486
- Related parties	2,261,608	2,681,472
	112,511,999	103,826,958
	481,446,295	415,183,009
Total trade payables	893,456,088	865,680,273

- (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 (2022: 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 RM40,941,058 (2022: RM49,547,661) for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

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28. Other Payables

	2023 RM	Group 2022 RM
Non-current		
Other payables		
- Related parties	55,135,107	53,592,711
Current		
Other payables		
- Third parties	113,816,880	82,712,066
- Related parties	2,759,135	2,685,340
	116,576,015	85,397,406
Accruals	279,034,792	248,995,375
Deposits	15,637,572	9,360,145
Amount due to a shareholder	3,528,309	3,024,630
Provision	223,991,191	129,929,700
	638,767,879	476,707,256
Total other payables	693,902,986	530,299,967
	2023 RM	Company 2022 RM
Other payables	78,883	232,460
Accruals	427,106	431,048
Total other payables	505,989	663,508

(a) Non-current other payables

Unsecured and interest free advances of RM55,135,107 (2022: RM53,592,711) 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 RM4,947,674 (2022: RM4,947,642) for equity interest acquisition from non-controlling interests.
- (ii) An amount of RM2,689,003 (2022: RM2,689,003) provided for settlement with the purchasers of a development project of a subsidiary in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.

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28. Other Payables (Cont'd)

(c) Provisions

The movements of the provisions are as follows:

	2023 RM	Group 2022 RM
At 1 January	129,929,700	61,992,360
Additional	107,901,128	80,331,180
Utilisation	(6,634,125)	(6,375,292)
Reversal	(7,205,512)	(6,005,058)
Exchange differences	–	(13,490)
At 31 December	223,991,191	129,929,700

29. Retirement benefits obligations

The unfunded non-contributory scheme is administered by Human Resource Department ("HRD"), with contributions made out of the Company's general revenues as and when members are entitled. Under the Scheme, eligible employees are entitled to a lump sum, upon normal retirement age, calculated based on variable multiplications of the final salary scheme based on service years.

The amount recognised in the statement of financial positions were determined as follows:

	2023 RM	Group 2022 RM
Present value of unfunded defined benefit obligations	12,633,018	5,686,642

(i) The movements in the net defined benefit liabilities were as follows:

	2023 RM	Group 2022 RM
Present value of unfunded defined benefit obligations		
At 1 January	5,686,642	–
Additions	6,946,376	5,686,642
At 31 December	12,633,018	5,686,642

(ii) Principal actuarial assumptions used for determination of the defined benefits obligation are as follows:

	2023 %	Group 2022 %
Discount rate	5.0	5.0

The discount rate is determined based on the values of Malaysian Government Securities and Private Debt Securities with AA ratings yield with 10 years weighted average duration.

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29. Retirement benefits obligations (Cont'd)

- (iii) The sensitivity analysis below has been derived based on changes to individual assumptions, with all other assumptions held constant:

	Discount rate Increase by 1%	Discount rate Decrease by 1%
At 31 December 2023		
(Decrease)/Increase in defined benefit obligations	(257,291)	286,601
At 31 December 2022		
(Decrease)/Increase in defined benefit obligations	(433,174)	483,944

The sensitivity analysis presented above may not be representative of the actual changes in defined benefit obligation as is unlikely that the change in assumption would occur in isolation to one another as some assumptions may be correlated.

No changes were made to the methods and types of assumptions used in preparing the sensitivity analysis for the current financial year.

30. Lease Liabilities

	2023 RM	Group 2022 RM
At 1 January	26,119,311	32,867,429
Additions	21,742,234	8,130,967
Payments	(19,630,182)	(16,597,697)
Accretion of interest	1,669,347	1,734,204
Expiration of lease contracts	(21,720)	(17,811)
Exchange differences	3,652	2,219
At 31 December	29,882,642	26,119,311
Presented as:		
Non-current	15,667,418	11,424,771
Current	14,215,224	14,694,540
	29,882,642	26,119,311

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30. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	2023 RM	Group 2022 RM
Within one year	15,493,973	15,709,431
Between one and two years	9,961,462	7,812,500
Between two and five years	6,442,050	3,949,866
After five years	96,889	202,597
	31,994,374	27,674,394
Less: Future finance charges	(2,111,732)	(1,555,083)
Present value of lease liabilities	29,882,642	26,119,311

The Group leases various land, buildings, office equipment, furniture and fittings, renovations, plant and equipment and motor racing circuit. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at the reporting date range from 1.94% to 6.77% (2022: 1.94% to 6.27%) per annum.

31. Bank borrowings

	2023 RM	Group 2022 RM
Secured		
<i>Floating rates</i>		
Bridging loans	54,817,183	154,875,429
Term loans	291,467,670	323,638,962
Revolving credits	251,896,663	276,068,578
Trade services	4,177,944	3,519,387
Total bank borrowings	602,359,460	758,102,356

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31. Bank borrowings (Cont'd)

	2023 RM	Group 2022 RM
Analysed as:		
Repayable within twelve months		
<i>Floating rates</i>		
Bridging loans	9,801,219	123,938,424
Term loans	179,158,877	144,855,132
Revolving credits	251,896,663	276,068,578
Trade services	4,177,944	3,519,387
	445,034,703	548,381,521
Repayable after twelve months		
<i>Floating rates:</i>		
Bridging loans	45,015,964	30,937,005
Term loans	112,308,793	178,783,830
	157,324,757	209,720,835
Total bank borrowings	602,359,460	758,102,356
	2023 RM	Company 2022 RM
Secured		
<i>Floating rates:</i>		
Term loans	81,713,495	128,218,955
Revolving credits	75,383,080	76,955,000
Total bank borrowings	157,096,575	205,173,955
Analysed as:		
Repayable within twelve months		
<i>Floating rates:</i>		
Term loans	80,463,495	108,323,455
Revolving credits	75,383,080	76,955,000
	155,846,575	185,278,455
Repayable after twelve months		
<i>Floating rates:</i>		
Term loans	1,250,000	19,895,500
Total bank borrowings	157,096,575	205,173,955

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31. 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)(i);
- (d) fixed charge over certain inventories of subsidiaries as disclosed in Note 7(b);
- (e) fixed charge over certain investment properties and/or legal assignment of tenancy agreements over certain investment properties as disclosed in Note 8(a);
- (f) legal assignment of cash flows and/or insurance proceeds and/or sale proceeds and/or performance bonds in relation to projects being developed and constructed by subsidiaries;
- (g) certain securities listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") as disclosed in Note 9(a);
- (h) pledged of fixed deposits as disclosed in Note 19;
- (i) corporate guarantees provided by the Company and/or certain subsidiaries; and
- (j) debenture by way of fixed and floating charge over all present and future assets belonging to subsidiaries.

The range of effective interest rates per annum of the Group and of the Company are as follows:

	Group	
	2023 %	2022 %
Bridging loans	6.83 - 7.33	5.53 - 7.08
Term loans	4.40 - 10.00	4.10 - 9.75
Revolving credits	5.56 - 7.47	5.15 - 6.80
Trade services	3.59 - 6.79	5.35 - 7.39
	Company	
	2023 %	2022 %
Term loans	4.60 - 10.00	4.10 - 9.15
Revolving credits	5.70 - 7.47	5.29 - 6.80

32. Sukuk Murabahah ("Sukuk")

	Group	
	2023 RM	2022 RM
Secured		
Repayable within twelve months	24,452,000	4,452,000
Repayable after twelve months	38,516,000	50,818,000
Total Sukuk	62,968,000	55,270,000

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32. Sukuk Murabahah ("Sukuk") (Cont'd)

On 15 December 2017, a subsidiary established a Sukuk Murabahah Programme ("Programme") of up to RM500 million in nominal value with a tenure of up to 20 years from the first issuance date.

On 10 January 2018, the subsidiary made its first issuance pursuant to the Programme for an amount of RM5.0 million at its nominal value that carries profit rates ranging from 7.97% to 8.22% per annum. It was fully repaid on 10 January 2019.

On 12 February 2018, the subsidiary made a second issuance of RM28.5 million pursuant to the Programme at its nominal value that carries profit rates ranging from 5.35% to 6.54% per annum. It is repayable in 6 semi-annually principal payments commencing from 11 August 2021. It was fully repaid on 9 January 2023.

On 26 July 2018 and 21 August 2018, the subsidiary made a third issuance of RM67.0 million pursuant to the Programme at its nominal value that carries profit rates ranging from 5.35% to 7.00% per annum. It is repayable in 180 monthly principal payments commencing on subsequent months from their issuance dates. As at 31 December 2023, a sum of RM24.03 million has been repaid.

On 28 January 2022, the subsidiary made a fourth issuance of RM5.0 million pursuant to the Programme at its nominal value that carries profit rates ranging from 5.35% to 6.48% per annum. It is repayable in 6 semi-annually principal payments commencing from 25 July 2025. It was fully repaid on 26 March 2023.

On 11 September 2023 and 11 December 2023, the subsidiary company made a fifth and sixth issuance of RM20.0 million each pursuant to the Programme at its nominal value that carries profit rates at 6.70% and 6.75% per annum respectively. It is repayable in 5 semi-annually principal payments commencing from 10 September 2027. As at 31 December 2023, a sum of RM20.0 million has been repaid.

The Sukuk is secured by the followings:

- (a) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a)(i);
- (b) legal assignment of cashflows or insurance proceeds in relation to projects being developed by subsidiaries; and
- (c) corporate guarantees provided by the Company and certain subsidiaries.

The effective interest rate as at 31 December 2023 is 6.75% (2022: 6.44% to 6.45%) per annum.

33. Bank Overdrafts

	Group	
	2023 RM	2022 RM
Secured		
Repayable within twelve months	73,013,069	77,747,419
	Company	
	2023 RM	2022 RM
Secured		
Repayable within twelve months	2,981,926	2,549,390

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33. Bank Overdrafts (Cont'd)

The bank overdrafts obtained from licensed banks are secured by the followings:

- (a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
- (b) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- (c) fixed charge over certain investment properties as disclosed in Note 8(a);
- (d) pledged of fixed deposits as disclosed in Note 19;
- (e) certain securities listed on Bursa Securities as disclosed in Notes 9(a);
- (f) fixed charge over certain inventories of subsidiaries as disclosed in Note 7(b); and
- (g) corporate guarantees provided by the Company and certain subsidiaries.

The range of effective interest rates per annum of the Group and of the Company are as follows:

	2023 %	Group 2022 %
Bank overdrafts	6.47 - 8.17	5.40 - 7.92

	2023 %	Company 2022 %
Bank overdrafts	7.35 - 7.60	6.35 - 7.35

34. Revenue

	2023 RM	Group 2022 RM
Revenue from contracts with customers		
Property development	1,712,687,146	1,507,082,795
Completed properties	41,371,789	147,053,242
Construction and trading	31,037,730	35,235,399
Racing circuit development and management	12,622,787	8,263,374
Management fees from third parties	796,963	762,319
Hotel	9,410,674	11,103,817
Rendering of services	1,644,381	1,312,827
	1,809,571,470	1,710,813,773
Revenue from other sources		
Retail mall	7,164,072	6,465,731
Racing circuit development and management	10,873,714	6,577,887
Investment properties	2,021,569	-
	20,059,355	13,043,618
	1,829,630,825	1,723,857,391

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34. Revenue (Cont'd)

	Company	
	2023 RM	2022 RM
Revenue from other source		
Dividends from subsidiaries	28,731,676	23,175,318
	Group	
	2023 RM	2022 RM
Timing of revenue recognition		
At a point in time	99,489,342	206,439,892
Over time	1,710,082,128	1,504,373,881
Total revenue from contracts with customers	1,809,571,470	1,710,813,773

Set below is the disaggregation of the Group's revenue from contracts with customers:

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
Group							
2023							
Major goods and services							
Property development	1,712,687,146	-	-	-	-	-	1,712,687,146
Sale of goods	41,371,789	30,117,865	-	-	-	-	71,489,654
Construction contract services	-	919,865	-	-	-	-	919,865
Racing circuit development and management	-	-	-	12,622,787	-	-	12,622,787
Hotel	-	-	-	-	9,410,674	-	9,410,674
Rendering of services	-	-	796,963	-	-	1,644,381	2,441,344
Total revenue from contracts with customers	1,754,058,935	31,037,730	796,963	12,622,787	9,410,674	1,644,381	1,809,571,470

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

34. Revenue (Cont'd)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
Group 2022							
Major goods and services							
Property development	1,507,082,795	–	–	–	–	–	1,507,082,795
Sale of goods	147,053,242	31,120,575	–	–	–	–	178,173,817
Construction contract services	–	4,114,824	–	–	–	–	4,114,824
Racing circuit development and management	–	–	–	8,263,374	–	–	8,263,374
Hotel	–	–	–	–	11,103,817	–	11,103,817
Rendering of services	–	–	762,319	–	–	1,312,827	2,075,146
Total revenue from contracts with customers	1,654,136,037	35,235,399	762,319	8,263,374	11,103,817	1,312,827	1,710,813,773
Group 2023							
Geographical market							
Malaysia	1,754,058,935	31,037,730	796,963	–	9,410,674	1,644,381	1,796,948,683
People's Republic of China	–	–	–	12,622,787	–	–	12,622,787
Total revenue from contracts with customers	1,754,058,935	31,037,730	796,963	12,622,787	9,410,674	1,644,381	1,809,571,470
2022							
Geographical market							
Malaysia	1,654,136,037	35,235,399	762,319	–	11,103,817	1,312,827	1,702,550,399
People's Republic of China	–	–	–	8,263,374	–	–	8,263,374
Total revenue from contracts with customers	1,654,136,037	35,235,399	762,319	8,263,374	11,103,817	1,312,827	1,710,813,773

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

35. Cost of Sales

	2023 RM	Group 2022 RM
Property development	1,223,844,741	1,051,310,154
Completed properties	34,017,280	132,012,791
Construction and trading	29,037,094	45,224,601
Racing circuit development and management	8,298,686	4,225,949
Hotel	2,591,095	2,793,950
Investment property	1,234,743	–
Retail mall	4,730,451	4,055,896
Rendering of services	444,283	394,713
	1,304,198,373	1,240,018,054

36. Finance Costs

	2023 RM	Group 2022 RM
Interest expenses on:		
Term loans	22,648,290	19,887,152
Bank overdrafts	4,590,453	4,560,520
Sukuk	3,303,782	3,967,394
Bridging loans	10,877,276	11,324,087
Revolving credits	16,230,350	13,415,603
Lease liabilities	1,669,347	1,734,204
Trade services	289,908	337,791
Unwinding interest	8,056,565	5,822,666
Others	3,127,736	1,273,017
	70,793,707	62,322,434
Less: Interest capitalised in:		
- Cost sharing with landowner	(477,531)	(325,609)
- Land held for property development and property development costs [Note 7(a)(ii)]	(3,673,844)	(1,658,970)
- Construction contracts [Note 15(a)]	–	(816,540)
	66,642,332	59,521,315
	2023 RM	Company 2022 RM
Interest expenses on:		
Term loans	8,666,604	8,311,152
Bank overdrafts	144,348	187,352
Revolving credits	4,453,325	3,815,527
Advances from a subsidiary	–	832
	13,264,277	12,314,863

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

37. Profit before Tax

Profit before tax is arrived at after charging/(crediting):

	2023 RM	Group 2022 RM
Allowance for impairment losses on:		
- Assets held for sale	171,735	–
- Goodwill arising on consolidation	10,700,308	6,693,781
- Investment properties	199,805	603,586
- Other investments	29,000	63,000
- Trade and other receivables	1,815,033	1,021,738
Auditors' remuneration		
- Statutory	1,072,994	968,749
- Others	71,200	73,650
- Over provision in prior years	–	(4,500)
Bad debts written off	380,440	676,202
Capital work-in-progress written off	2,786,305	1,618,185
Deposits written off	450	424,165
Depreciation of:		
- Investment properties	2,736,939	2,333,019
- Property, plant and equipment	13,174,187	13,140,247
- Right-of-use assets	26,418,266	25,173,159
Inventories written down to net realisable value	48,391	–
Inventories written off	737,524	3,607
Land held for property development written down	–	17,500,000
Lease expenses relating to short-term leases:		
- Rental of premises	120,400	38,400
- Rental of office equipment	85,984	67,803
- Rental of car park	10,526	12,750
<u>Non-Executive Directors' remuneration:</u>		
Company's Directors		
- Fees	260,000	240,000
- Other emoluments	416,100	227,500
- Other benefits	5,105	6,472
Subsidiaries' Directors		
- Fees	343,450	363,650
- Other emoluments	26,450	17,650
Net foreign exchange loss/(gain)		
- Realised	117,929	1,427,513
- Unrealised	(63,084)	(78,226)
Prepayments written off	–	214,190
Property, plant and equipment written off	163,229	314,364
Property development costs written off	939,834	296,833
Provision for retirement benefits	6,946,376	5,686,642
Provision for staff economic compensation	16,151	86,173
Waiver of interest income	291,356	1,981,605
Fair value adjustment on trade receivables	(129,882)	75,063

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

37. Profit before Tax (Cont'd)

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Group	
	2023 RM	2022 RM
(Gain)/Loss on disposal of:		
- Assets held for sale	-	(61,575)
- An associate	(404)	18,875
- A subsidiary	-	(599,738)
- Property, plant and equipment	(622,762)	14,279
- Right-to-use assets	(164,500)	(292,863)
Gain on remeasurement of previously held equity interest	(7,508)	-
Gain on winding up of a subsidiary	(244,588)	-
Fair value gain on revaluation of financial assets measured at FVTPL	-	(820)
Interest income from:		
- Licensed banks	(6,110,623)	(3,314,877)
- Trade receivables	(47,400)	(58,036)
- Others	(1,209,686)	(774,215)
Net (gain)/loss on strike off:		
- Subsidiaries	-	(12,923)
- An associate	341,160	8,077
Provision for property development costs no longer required	(7,205,512)	(6,005,058)
Recover of bad debts	(29,181)	(361,520)
Rental income from:		
- Investment properties	(2,500,106)	(2,110,541)
- Completed properties	(2,687,577)	(2,577,069)
- Others	(872,137)	(2,285,022)
Reversal of allowance for impairment losses on:		
- Investment in associates	(303,682)	(109,314)
- Trade and other receivables	(1,156,798)	(5,430,763)
Wages subsidy	(5,100)	(318,280)

	Company	
	2023 RM	2022 RM
Auditors' remuneration		
- Statutory	121,000	115,000
- Others	21,000	26,000
Depreciation on property, plant and equipment	450	450
Loss on winding up of a subsidiary	88,393	-
<u>Non-Executive Directors' remuneration:</u>		
Company's Directors		
- Fees	260,000	240,000
- Salaries and other emoluments	404,100	191,500
- Other benefits	5,772	6,472
Bad debts recovered	(250,000)	-
Interest income from:		
- Advances to subsidiaries	(34,550,776)	(26,522,994)
- Licensed banks	(29,876)	(30,953)
- Others	-	(452)
Reversal of allowance for impairment losses on investment in a subsidiary	(88,393)	-

The Group's and Company's non-executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RMNil (2022: RM12,229).

NOTES TO THE FINANCIAL STATEMENTS

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38. Taxation

	Group	
	2023 RM	2022 RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	95,725,135	90,940,815
(Over)/Under provision in prior years	(204,553)	7,939,072
	95,520,582	98,879,887
Deferred tax: (Note 14)		
Relating to origination and reversal of temporary differences	(9,706,391)	(7,792,813)
Crystallisation of deferred tax	(1,709,374)	(1,778,706)
Under provision in prior years	(3,739,965)	(9,895,636)
	(15,155,730)	(19,467,155)
	80,364,852	79,412,732
	Company	
	2023 RM	2022 RM
Tax expenses recognised in profit or loss		
Malaysian income tax		
Current tax provision	3,100,745	3,158,517
Over)/Under provision in prior years	(1,829,657)	25,818
	1,271,088	3,184,335

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

38. 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:

	Group	
	2023 RM	2022 RM
Profit before tax	239,788,187	216,927,247
At Malaysian statutory tax rate of 24% (2022: 24%)	57,549,165	52,062,539
Crystallisation of deferred tax	(1,709,374)	(1,778,706)
Differential in tax rate in other jurisdiction	(2,655)	(5,064)
Subsidiary companies domiciled in tax heaven country	(57,753)	112,554
Income not subject to tax	(2,371,611)	(2,415,284)
Expenses not deductible for tax purposes	30,331,973	29,445,085
Perpetual Sukuk distribution	(3,653,085)	(3,646,331)
Deferred tax assets not recognised	6,207,790	9,183,694
Utilisation of previously unrecognised tax losses and capital allowances	(1,985,080)	(1,589,191)
(Over)/Under provision of income tax in prior years	(204,553)	7,939,072
Under provision of deferred tax in prior years	(3,739,965)	(9,895,636)
Tax expenses for the financial year	80,364,852	79,412,732

	Company	
	2023 RM	2022 RM
Profit before tax	46,792,310	33,914,833
At Malaysian statutory tax rate of 24% (2022: 24%)	11,230,154	8,139,560
Expenses not deductible for tax purposes	2,440,493	4,227,364
Perpetual Sukuk distribution	(3,653,085)	(3,646,331)
Income not subject to tax	(6,916,817)	(5,562,076)
(Over)/Under provision of income tax in prior years	(1,829,657)	25,818
Tax expenses for the financial year	1,271,088	3,184,335

39. Earnings per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2023 RM	2022 RM
Net profit for the financial year attributable to owners of the parent	140,977,149	128,538,935
Less:		
- Dividends on RCPS	(6,210,536)	(6,210,536)
- Distribution to Perpetual Sukuk holders	(15,221,188)	(15,193,047)
Net profit for the financial year attributable to ordinary equity holders	119,545,425	107,135,352

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39. Earnings per Share (Cont'd)

	2023 Units	Group 2022 Units
Weighted average number of ordinary shares in issue		
- Ordinary shares in issue as at 1 January	1,569,245,151	1,569,245,151
- Effect of treasury shares held	(26,468,829)	(10,743,975)
Weighted average number of ordinary shares as at 31 December	1,542,776,322	1,558,501,176
Basic earnings per share (sen)	7.75	6.87

(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:

	2023 RM	Group 2022 RM
Net profit for the financial year attributable to owners of the parent	140,977,149	128,538,935
Less:		
- Dividends on RCPS	(6,210,536)	(6,210,536)
- Distribution to Perpetual Sukuk holders	(15,221,188)	(15,193,047)
Net profit for the financial year attributable to ordinary equity holders	119,545,425	107,135,352

	2023 Units	Group 2022 Units
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,542,776,322	1,558,501,176
Weighted average number of ordinary shares deemed issued at no consideration		
- ESOS	—	^
- RCPS	*	*
Adjusted weighted average number of ordinary shares as at 31 December	1,542,776,322	1,558,501,176
Diluted earnings per share (sen)	7.75	6.87

^ The Company's ESOS has expired on 17 September 2022.

* The number of shares under RCPS was not taken into account in the computation of diluted earnings per share as the RCPS do not have any dilutive effect on the weighted average number of ordinary shares.

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40. Employees' Share Option Scheme

The Company has established Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS shall be in force for a period of 10 years from 18 September 2012 to 17 September 2022. On 17 September 2022, all remaining unexercised 13,557,270 ESOS options standing in the Register of Option Holders have lapsed and therefore, became null, void and ceased to be exercisable with effect from 17 September 2022.

The salient features of the ESOS are as follows:

- (a) Eligible employees include Directors of the Company and confirmed full time employees of the Company and its eligible subsidiaries or under a fixed term employment contract, the contract should be for a duration of at least one (1) year, whom must be a Malaysian citizen, shall have attained the age of eighteen (18) years old and have served for at least one year of full continuous service in the Group.
- (b) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS.
- (c) The new Company's shares of RM1.00 each ("new Shares") to be allotted and issued upon the exercise of the ESOS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares of RM1.00 each save and except that the said new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the said new Shares.
- (d) The ESOS shall be in force for a period of ten years.
- (e) The option is personal to the grantee and is non-assignable.
- (f) The option price shall be determined at a discount of not more than 10% from the weighted average market price of the Company's ordinary shares of RM1.00 each for five (5) market days preceding the date of offer, or the par value of the shares, whichever is higher.
- (g) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.
- (h) The options granted may be exercised, subject to the maximum limit of options exercisable in each particular year, at any time within a period of ten years from the date of offer of the option or such period as may be specifically stated in the offer upon giving notice in writing.
- (i) The persons to whom the options have been granted shall not participate in more than one Employees' Share Option Scheme implemented by any company within the Group.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional ESOS of 10,958,400 have been granted to eligible Directors and employees of the Group. The exercise prices for all the ESOS have been adjusted accordingly ("adjusted exercise price").

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31 DECEMBER 2023

40. Employees' Share Option Scheme (Cont'd)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEF") are as follows:

	Number of share options over ordinary shares					Exercisable	
	At 1 January	Granted	Forfeited	Exercised	Lapsed	At 31 December	at 31 December
2022							
ESOS							
First Grant	100,100	–	–	–	(100,100)	–	–
Second Grant	633,050	–	–	–	(633,050)	–	–
Third Grant	2,420	–	(2,420)	–	–	–	–
Fourth Grant	222,420	–	–	–	(222,420)	–	–
Fifth Grant	297,110	–	(18,700)	–	(278,410)	–	–
Sixth Grant	72,930	–	–	–	(72,930)	–	–
Seventh Grant	–	–	–	–	–	–	–
Eighth Grant	65,410	–	–	–	(65,410)	–	–
Ninth Grant	–	–	–	–	–	–	–
Tenth Grant	759,220	–	–	–	(759,220)	–	–
Eleventh Grant	130,900	–	–	–	(130,900)	–	–
Twelfth Grant	198,580	–	–	–	(198,580)	–	–
Thirteenth Grant	235,620	–	–	–	(235,620)	–	–
Fourteenth Grant	88,330	–	(11,660)	–	(76,670)	–	–
Fifteenth Grant	1,420,980	–	–	–	(1,420,980)	–	–
Sixteenth Grant	222,640	–	–	–	(222,640)	–	–
Seventeenth Grant	109,900	–	(18,700)	–	(91,200)	–	–
Eighteenth Grant	39,160	–	–	–	(39,160)	–	–
Nineteenth Grant	36,960	–	–	–	(36,960)	–	–
Twentieth Grant	85,800	–	–	–	(85,800)	–	–
Twenty-First Grant	–	–	–	–	–	–	–
Twenty-Second Grant	29,920	–	–	–	(29,920)	–	–
Twenty-Third Grant	1,254,770	–	–	–	(1,254,770)	–	–
Twenty-Fourth Grant	181,500	–	–	–	(181,500)	–	–
Twenty-Fifth Grant	80,520	–	–	–	(80,520)	–	–
Twenty-Sixth Grant	334,620	–	(261,800)	–	(72,820)	–	–
Twenty-Seventh Grant	18,700	–	(18,700)	–	–	–	–
Twenty-Eighth Grant	1,060	–	–	–	(1,060)	–	–
Twenty-Ninth Grant	12,100	–	–	–	(12,100)	–	–
Thirtieth Grant	–	–	–	–	–	–	–
Thirty-First Grant	5,720	–	–	–	(5,720)	–	–
Thirty-Second Grant	84,540	–	–	–	(84,540)	–	–
Thirty-Third Grant	–	–	–	–	–	–	–
Thirty-Fourth Grant	56,100	–	–	–	(56,100)	–	–
Thirty-Fifth Grant	1,095,890	–	–	–	(1,095,890)	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

40. Employees' Share Option Scheme (Cont'd)

Movements in the number of share options outstanding and their related WAEP are as follows: (Cont'd)

	Number of share options over ordinary shares						Exercisable	
	At 1 January	Granted	Forfeited	Exercised	Lapsed	At 31 December	at 31 December	
2022								
ESOS (Cont'd)								
Thirty-Sixth Grant	181,060	–	–	–	(181,060)	–	–	
Thirty-Seventh Grant	14,960	–	(7,480)	–	(7,480)	–	–	
Thirty-Eighth Grant	345,840	–	(261,800)	–	(84,040)	–	–	
Thirty-Ninth Grant	18,700	–	–	–	(18,700)	–	–	
Fortieth Grant	647,020	–	–	–	(647,020)	–	–	
Forty-First Grant	310,200	–	(33,660)	–	(276,540)	–	–	
Forty-Second Grant	87,780	–	–	–	(87,780)	–	–	
Forty-Third Grant	88,660	–	–	–	(88,660)	–	–	
Forty-Fourth Grant	46,640	–	–	–	(46,640)	–	–	
Forty-Fifth Grant	37,060	–	(5,500)	–	(31,560)	–	–	
Forty-Sixth Grant	2,035,440	–	–	–	(2,035,440)	–	–	
Forty-Seventh Grant	395,140	–	–	–	(395,140)	–	–	
Forty-Eighth Grant	595,540	–	(7,480)	–	(588,060)	–	–	
Forty-Ninth Grant	1,876,380	–	(352,220)	–	(1,524,160)	–	–	
Fiftieth Grant	*	*	*	*	*	*	*	
	14,557,390	–	(1,000,120)	–	(13,557,270)	–	–	
WAEP	1.54	–	1.53	–	1.54	–	–	

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

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:

	Number of share options Group/Company	
	2023	2022
ESOS		
At 1 January	–	5,482,240
Forfeited	–	(785,400)
Lapsed	–	(4,696,840)
At 31 December	–	–

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

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41. Staff Costs

	2023 RM	Group 2022 RM
Fees	466,354	744,531
Salaries, gratuity and other emoluments	90,979,238	77,751,890
Defined contribution plans	9,953,842	8,584,256
Social security contributions	1,677,553	1,493,649
Employment insurance scheme	44,248	37,224
Benefits-in-kind	628,591	582,036
Retirement benefit obligations	6,946,376	5,686,642
Other benefits	7,950,814	6,368,666
	118,647,016	101,248,894

The Group's staff costs do not include the estimated monetary value of benefits-in-kind amounting to RM1,453,734 (2022: RM1,263,643).

	2023 RM	Company 2022 RM
Other benefits	31,694	18,942

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year as below:

	2023 RM	Group 2022 RM
Executive Directors		
Company's Directors		
Fees	726,528	706,731
Salaries, gratuity and other emoluments	10,732,500	11,068,746
Defined contribution plans	1,609,875	1,656,274
Social security contributions	4,878	4,438
Employment insurance scheme	168	213
Benefits-in-kind	357,347	351,003
Retirement benefit obligations	5,438,405	4,819,292
Other benefits	106,844	105,876
	18,976,545	18,712,573
	2023 RM	Company 2022 RM
Executive Directors		
Company's Directors		
Other benefits	-	6,631

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

41. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year as below: (Cont'd)

	2023 RM	Group 2022 RM
Executive Directors		
Subsidiaries' Directors		
Salaries, gratuity and other emoluments	6,047,781	5,215,308
Defined contribution plans	708,103	617,181
Social security contributions	79,316	78,380
Employment insurance scheme	475	403
Benefits-in-kind	199,611	199,554
Retirement benefit obligations	1,253,073	867,350
Other benefits	132,272	135,965
	8,420,631	7,114,141
	2023 RM	Group 2022 RM
Executive Directors		
Company's Directors	18,976,545	18,712,573
Subsidiaries' Directors	8,420,631	7,114,141
	27,397,176	25,826,714

The Group's Executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM504,581 (2022: RM571,023).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

42. Dividends

	Group/Company 2023 RM	2022 RM
Dividends recognised as distribution to shareholders of the Company:		
Ordinary Shares		
In respect of the financial year ended 31 December 2021:		
Interim single-tier dividend of 0.85 sen per ordinary share on 1,559,457,757 ordinary shares	–	13,255,375
Final single-tier dividend of 1.00 sen per ordinary share on 1,559,320,657 ordinary shares	–	15,593,207
In respect of the financial year ended 31 December 2022:		
Interim single-tier dividend of 1.20 sen per ordinary share on 1,540,641,157 ordinary shares	18,487,681	–
Final single-tier dividend of 1.25 sen per ordinary share on 1,540,391,157 ordinary shares	19,254,871	–
RCPS		
In respect of the financial year ended 31 December 2022:		
Preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	–	6,210,536
In respect of the financial year ended 31 December 2023:		
Preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	6,210,536	–
	43,953,088	35,059,118

On 17 April 2024, the Board of Directors:

- (i) Declared first interim single-tier dividend of 1.35 sen per ordinary share in respect of the financial year ended 31 December 2023. The entitled shareholders of the Company will receive the dividend on 16 July 2024.
- (ii) Proposed final single-tier dividend of 1.35 sen per ordinary share in respect of the financial year ended 31 December 2023. The proposed dividend is subject to the approval of the shareholders at the forthcoming 24th Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividends declared/ proposed on 17 April 2024. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

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43. 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
2023						
Group						
Financial liabilities						
Lease liabilities	30	26,119,311	(17,960,835)	21,742,234	(18,068)	29,882,642
Bank borrowings	31	758,102,356	(155,742,896)	–	–	602,359,460
Sukuk	32	55,270,000	7,698,000	–	–	62,968,000
		839,491,667	(166,005,731)	21,742,234	(18,068)	695,210,102
Company						
Financial liabilities						
Bank borrowings	31	205,173,955	(48,077,380)	–	–	157,096,575
2022						
Group						
Financial liabilities						
Lease liabilities	30	32,867,429	(14,863,493)	8,130,967	(15,592)	26,119,311
Bank borrowings	31	896,932,878	(151,663,033)	–	12,832,511	758,102,356
Sukuk	32	75,622,000	(20,352,000)	–	–	55,270,000
		1,005,422,307	(186,878,526)	8,130,967	12,816,919	839,491,667
Company						
Financial liabilities						
Bank borrowings	31	162,435,583	42,738,372	–	–	205,173,955

(i) The financing cash flows include the net amount of proceeds from or repayments of lease liabilities, bank borrowings and Sukuk in the statements of cash flows.

(ii) Other changes include exchange differences, excess redemption received transfer to other receivables and expiration of lease contracts.

NOTES TO THE FINANCIAL STATEMENTS

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44. 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 jointly 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:

	2023 RM	Group 2022 RM
Transactions with other related parties:		
Income		
Sale of development properties	–	3,350,916
Dividend received	–	105,570
Rental income	6,000	10,500
Expenses		
Contractors' fees	13,150,863	21,245,876
Equity instrument	4,099,933	29,054,000
Landowner entitlement	–	40,000,000
Legal fees	–	35,460
Lease expenses	50,400	50,400
Profit sharing with landowner	295,772	1,462,480
Rendering of services	2,224,485	2,664,260
Dividends paid	21,538,447	16,386,300

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

44. 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)

	2023 RM	Company 2022 RM
Transactions with subsidiaries:		
Income		
Dividend income	28,731,676	23,175,318
Interest expenses on advances	–	832
Expenses		
Management fees expenses	883,448	574,496
Interest income from advances	34,550,776	26,522,994
Transactions with other related parties:		
Expense		
Dividends paid	21,409,098	16,242,308

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

- (i) A company in which a close family member of certain Directors of the Company or its subsidiaries have financial interest;
 - (ii) A firm or companies in which certain Directors of a subsidiary of the Company have financial interest;
 - (iii) A person or companies that have financial interest in subsidiaries;
 - (iv) Directors or key management personnel of the Company or its subsidiaries and their close family members;
 - (v) An associate of the Company; and
 - (vi) A substantial shareholder of the Company.
- (c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	2023 RM	Group 2022 RM
Fees	1,329,978	1,310,381
Salaries, gratuity and other emoluments	21,343,287	23,371,452
Defined contribution plans	2,906,379	3,166,950
Social security contributions	94,245	103,534
Employment insurance scheme	1,693	2,756
Retirement benefit obligations	6,946,376	5,686,642
Benefits-in-kind	1,215,373	1,391,319
Other benefits	321,472	395,719
	34,158,803	35,428,753

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

44. 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	
	2023 RM	2022 RM
Fees	260,000	240,000
Salaries and other emoluments	404,100	191,500
Other benefits	4,963	13,103
	669,063	444,603

45. Segment Information

The Group has six major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports at least on quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the followings:

Property development	Development of residential, industrial and commercial properties.
Construction and trading	Design and build, civil engineering, general construction, piling activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast concrete products.
Management and investment	Investment holding and provision of management services.
Motor racing circuit	Racing circuit development and management.
Hotel	Hotel operation.
Others	Car park management, retail mall operations, provision of financial and credit services, rental from properties investment and management.

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 car park management, retail mall operations, provision of financial and credit services, rental from properties investment and management, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

45. Segment Information (Cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's managing director. Segment total assets are used to measure the return of assets of each segment.

Additions to non-current assets represent property, plant and equipment, right-of-use assets, capital work-in-progress, inventories, investment properties, other investment and trade receivables.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's managing director. Hence no disclosure is made on segment liabilities.

Geographical segments

In determining the Group segment, revenue and non-current assets are based on the geographical location of customers as follows:

	Revenue	
	2023 RM	2022 RM
Malaysia	1,806,134,324	1,709,016,130
People's Republic of China	23,496,501	14,841,261
	1,829,630,825	1,723,857,391
	Non-current assets	
	2023 RM	2022 RM
Malaysia	1,920,771,579	1,895,738,108
People's Republic of China	154,418,274	160,343,194
Hong Kong	40,179	96,247
	2,075,230,032	2,056,177,549

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

45. Segment Information (Cont'd)

Segment results

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2023							
Revenue							
Total revenue	1,754,058,935	856,666,013	135,412,316	23,496,501	9,630,674	66,999,067	2,846,263,506
Less: Inter-segment revenue	–	(825,628,283)	(134,615,353)	–	(220,000)	(56,169,045)	(1,016,632,681)
Revenue from external customers	1,754,058,935	31,037,730	796,963	23,496,501	9,410,674	10,830,022	1,829,630,825
Financial results							
Segment results	237,867,612	74,154,972	31,374,097	(452,943)	(348,826)	(1,707,762)	340,887,150
Interest income	5,668,417	501,711	429,195	654,184	–	114,202	7,367,709
Finance costs	(27,137,498)	(4,490,553)	(31,981,898)	(1,261,398)	(1,766,509)	(4,476)	(66,642,332)
Depreciation	(6,309,609)	(17,540,452)	(5,577,988)	(8,472,546)	(2,335,939)	(2,092,858)	(42,329,392)
Share of profit of associates, net of tax	–	136,071	–	–	–	368,981	505,052
Profit/(Loss) before tax	210,088,922	52,761,749	(5,756,594)	(9,532,703)	(4,451,274)	(3,321,913)	239,788,187
Taxation	(59,889,238)	(16,977,817)	(4,850,178)	1,709,374	–	(356,993)	(80,364,852)
Net profit/(loss) for the financial year	150,199,684	35,783,932	(10,626,772)	(7,823,329)	(4,451,274)	(3,678,906)	159,423,335
Assets							
Additions to non-current assets	104,143,660	41,978,899	2,791,439	702,571	606,789	695,585	150,920,943
Segment assets	3,210,446,196	224,987,902	384,652,427	206,416,695	75,755,205	168,163,514	4,270,421,939

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

45. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2023							
Other non-cash expenses							
Allowance for impairment losses on:							
- Assets held for sale	-	-	-	-	-	171,735	171,735
- Goodwill arising on consolidation	10,685,038	-	-	-	-	15,270	10,700,308
- Investment properties	43,253	-	156,552	-	-	-	199,805
- Other investments	-	-	29,000	-	-	-	29,000
- Trade and other receivables	96,071	1,364,155	-	-	-	354,807	1,815,033
Bad debts written off	378,090	-	-	-	-	2,350	380,440
Capital work-in-progress written off	-	-	-	2,786,305	-	-	2,786,305
Deposits written off	450	-	-	-	-	-	450
Depreciation of:							
- Investment properties	313,968	780,235	135,366	-	-	1,507,370	2,736,939
- Property, plant and equipment	1,688,794	6,786,705	2,541,667	427,934	1,171,479	557,608	13,174,187
- Right-of-use assets	4,306,847	9,973,512	2,900,955	8,044,612	1,164,460	27,880	26,418,266
Inventories written down to net realisable value	48,391	-	-	-	-	-	48,391
Inventories written off	737,524	-	-	-	-	-	737,524
Loss on disposal of:							
- Property, plant and equipment	-	-	-	-	-	25,202	25,202
- Right-of-use-assets	-	499	-	-	-	-	499
Loss on strike off an associate	-	-	341,160	-	-	-	341,160
Property development costs written off	939,834	-	-	-	-	-	939,834
Property, plant and equipment written off	1,049	-	493	154,015	-	7,672	163,229
Provision for retirement benefits	-	913,158	6,033,218	-	-	-	6,946,376
Provision for staff economic compensation	-	-	-	16,151	-	-	16,151
Unrealised foreign exchange loss	-	70,829	-	-	-	-	70,829
Unwinding interest	8,056,565	-	-	-	-	-	8,056,565
Waiver of interest income	291,356	-	-	-	-	-	291,356

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

45. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2023							
Other non-cash income							
Gain on remeasurement of previously held equity interest	-	-	(7,508)	-	-	-	(7,508)
Fair value adjustment on trade receivables	-	-	-	-	-	(129,882)	(129,882)
Gain on disposal of:							
- An associate	-	-	(404)	-	-	-	(404)
- Property, plant and equipment	(5,999)	(312,136)	(314,675)	(15,154)	-	-	(647,964)
- Right-of-use assets	-	(164,500)	-	-	-	-	(164,500)
Gain on winding up of a subsidiary	-	-	(244,588)	-	-	-	(244,588)
Provision for property development costs no longer required	(7,205,512)	-	-	-	-	-	(7,205,512)
Reversal of allowance for impairment losses on:							
- Investment in associates	-	-	(303,682)	-	-	-	(303,682)
- Trade and other receivables	(619,623)	(420,354)	-	-	-	(116,821)	(1,156,798)
Unrealised foreign exchange gain	-	-	(2,404)	(131,509)	-	-	(133,913)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

45. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2022							
Revenue							
Total revenue	1,654,136,037	589,282,741	125,035,904	14,841,261	11,103,817	45,209,926	2,439,609,686
Less:							
Inter-segment revenue	-	(554,047,342)	(124,273,585)	-	-	(37,431,368)	(715,752,295)
Revenue from external customers	1,654,136,037	35,235,399	762,319	14,841,261	11,103,817	7,778,558	1,723,857,391
Financial results							
Segment results	257,400,636	43,368,782	15,925,093	(1,175,886)	1,302,526	(3,955,778)	312,865,373
Interest income	2,968,745	249,701	294,716	605,057	-	28,909	4,147,128
Finance costs	(23,282,618)	(4,450,334)	(28,701,842)	(1,273,481)	(1,810,821)	(2,219)	(59,521,315)
Depreciation	(6,281,000)	(15,342,810)	(5,800,861)	(8,957,560)	(2,289,692)	(1,974,502)	(40,646,425)
Share of profit/ (loss) of associates, net of tax	-	134,761	-	-	-	(52,275)	82,486
Profit/(Loss) before tax	230,805,763	23,960,100	(18,282,894)	(10,801,870)	(2,797,987)	(5,955,865)	216,927,247
Taxation	(67,272,894)	(10,976,434)	(2,902,487)	1,727,318	-	11,765	(79,412,732)
Net profit/(loss) for the financial year	163,532,869	12,983,666	(21,185,381)	(9,074,552)	(2,797,987)	(5,944,100)	137,514,515
Assets							
Additional investment in an associate	-	-	54,000	-	-	-	54,000
Additions to non-current assets	88,662,801	9,680,812	4,472,036	2,572,588	190,252	97,230	105,675,719
Segment assets	3,186,821,791	207,474,328	341,273,736	208,197,486	77,748,311	143,814,278	4,165,329,930

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31 DECEMBER 2023

45. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2022							
Other non-cash expenses							
Allowance for impairment losses on:							
- Goodwill arising on consolidation	6,693,781	-	-	-	-	-	6,693,781
- Investment properties	603,586	-	-	-	-	-	603,586
- Other investments	-	-	63,000	-	-	-	63,000
- Trade and other receivables	66,290	715,769	-	-	-	239,679	1,021,738
Bad debts written off	305,227	37,333	-	261,133	-	72,509	676,202
Capital work-in-progress written off	-	-	-	1,618,185	-	-	1,618,185
Deposits written off	227,607	-	196,558	-	-	-	424,165
Depreciation of:							
- Investment properties	217,682	780,236	75,473	-	-	1,259,628	2,333,019
- Property, plant and equipment	1,492,082	6,784,852	2,567,504	477,930	1,108,478	709,401	13,140,247
- Right-of-use assets	4,571,236	7,777,722	3,157,885	8,479,630	1,181,214	5,472	25,173,159
Fair value adjustment on trade receivables	-	-	-	-	-	75,063	75,063
Inventories written off	-	-	-	-	2,983	624	3,607
Land held for property development written down	17,500,000	-	-	-	-	-	17,500,000
Loss on disposal of:							
- Associate	-	18,875	-	-	-	-	18,875
- Property, plant and equipment	83,589	1,765	-	-	-	128,156	213,510
Loss on strike off an associate	-	-	8,077	-	-	-	8,077
Prepayments written off	214,190	-	-	-	-	-	214,190
Property development costs written off	296,833	-	-	-	-	-	296,833
Property, plant and equipment written off	5,733	-	283,698	24,933	-	-	314,364
Provision for retirement benefits	-	-	5,686,642	-	-	-	5,686,642

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

45. Segment Information (Cont'd)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2022							
Other non-cash expenses (Cont'd)							
Provision for staff economic compensation	-	-	-	86,173	-	-	86,173
Unrealised foreign exchange loss	-	-	34,732	-	-	-	34,732
Unwinding interest	5,822,666	-	-	-	-	-	5,822,666
Waiver of interest income	1,981,605	-	-	-	-	-	1,981,605
Other non-cash income							
Fair value gain on revaluation of financial assets measured at FVTPL	-	-	-	-	-	(820)	(820)
Gain on disposal of:							
- Assets held for sale	(61,575)	-	-	-	-	-	(61,575)
- Property, plant and equipment	-	-	(199,231)	-	-	-	(199,231)
- Right-of-use assets	-	-	(292,863)	-	-	-	(292,863)
- Subsidiary	-	(599,738)	-	-	-	-	(599,738)
Gain on strike off subsidiaries	-	-	(12,923)	-	-	-	(12,923)
Provision for property development costs no longer required	(6,005,058)	-	-	-	-	-	(6,005,058)
Reversal of allowance for impairment loss on:							
- Investment in associates	-	(34,315)	(74,999)	-	-	-	(109,314)
- Trade and other receivables	(4,966,364)	(26,188)	(13,194)	(261,133)	-	(163,884)	(5,430,763)
Unrealised foreign exchange gain	-	-	-	(112,958)	-	-	(112,958)

NOTES TO THE FINANCIAL STATEMENTS

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46. 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:

	2023 RM	Group 2022 RM
At amortised cost		
Financial assets		
Other investment	476,000	505,000
Trade receivables	256,483,256	361,472,598
Other receivables	132,976,545	126,051,000
Amount due from associates	10,845	–
Fixed deposits with licensed banks	73,159,435	24,754,911
Cash held under Housing Development Accounts	478,126,186	235,387,063
Cash and bank balances	156,376,552	104,968,603
	1,097,608,819	853,139,175
Company		
	2023 RM	2022 RM
At amortised cost		
Financial assets		
Other receivables	269,468	363,845
Amount due from subsidiaries	580,801,400	650,410,872
Fixed deposits with licensed banks	1,421,944	1,041,793
Cash and bank balances	4,824,217	3,425,281
	587,317,029	655,241,791
Group		
	2023 RM	2022 RM
At amortised cost		
Financial liability		
Trade payables	893,456,088	865,680,273
Other payables	693,902,986	530,299,967
Amount due to an associate	–	16,552
Lease liabilities	29,882,642	26,119,311
Bank borrowings and overdrafts	675,372,529	835,849,775
Sukuk	62,968,000	55,270,000
	2,355,582,245	2,313,235,878

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. 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)

	Company	
	2023 RM	2022 RM
At amortised cost		
Financial liabilities		
Other payables	505,989	663,508
Amount due to subsidiaries	330,073	–
Bank borrowings and overdrafts	160,078,501	207,723,345
	160,914,563	208,386,853

(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, amount due from associates and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks, amount due from subsidiaries and financial guarantees given to banks and non-financial institutions granted to certain subsidiaries.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the property purchasers were using financing from reputable end-financiers, legal title to the properties revert to the Group in the event of default.

The Company provides unsecured loans and advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

The Group and the Company have exposure to the following risks from its use of financial instruments: (Cont'd)

(i) Credit risk (Cont'd)

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions granted to certain subsidiaries. The Company's maximum exposure in this respect is RM736,298,400 (2022: RM641,826,238), representing the outstanding financial guarantees to the subsidiaries as at the end of the reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risk, except for loans and advances to its subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor its cash flows and ensure that sufficient funding is in place to meet the obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. 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						
2023						
Non-derivative financial liabilities						
Trade payables	893,456,088	916,440,572	481,446,295	32,089,206	179,895,315	223,009,756
Other payables	693,902,986	693,902,986	638,767,879	–	–	55,135,107
Lease liabilities	29,882,642	31,994,374	15,493,973	9,961,462	6,442,050	96,889
Bank borrowings and overdrafts	675,372,529	727,651,782	549,945,328	62,406,806	96,117,387	19,182,261
Sukuk	62,968,000	77,212,390	28,702,340	7,051,830	19,352,430	22,105,790
Financial guarantees*	–	–	–	–	–	–
	2,355,582,245	2,447,202,104	1,714,355,815	111,509,304	301,807,182	319,529,803
Group						
2022						
Non-derivative financial liabilities						
Trade payables	865,680,273	898,814,755	415,183,009	6,750,931	57,499,004	419,381,811
Other payables	530,299,967	530,299,967	476,707,256	–	–	53,592,711
Amount due to associates	16,552	16,552	16,552	–	–	–
Lease liabilities	26,119,311	27,674,394	15,709,431	7,812,500	3,949,866	202,597
Bank borrowings and overdrafts	835,849,775	912,512,676	671,045,066	80,077,498	113,144,315	48,245,797
Sukuk	55,270,000	71,111,038	8,011,673	10,574,964	24,839,357	27,685,044
Financial guarantees*	–	–	–	–	–	–
	2,313,235,878	2,440,429,382	1,586,672,987	105,215,893	199,432,542	549,107,960

* At the end of the reporting period, financial guarantee liabilities have not been recognised as there is no indication that the subsidiaries would default on repayment and the probability that the financial guarantee contracts will be called by third parties is remote. Consequently, the amount is RMNil.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. 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					
2023					
Non-derivative financial liabilities					
Other payables	505,989	505,989	505,989	–	–
Amount due to subsidiaries	330,073	330,073	330,073	–	–
Bank borrowings and overdrafts	160,078,501	171,860,993	170,553,493	1,307,500	–
Financial guarantees*	–	–	–	–	–
	160,914,563	172,697,055	171,389,555	1,307,500	–
Company					
2022					
Non-derivative financial liabilities					
Other payables	663,508	663,508	663,508	–	–
Bank borrowings and overdrafts	207,723,345	222,398,995	201,636,529	19,461,216	1,301,250
Financial guarantees*	–	–	–	–	–
	208,386,853	223,062,503	202,300,037	19,461,216	1,301,250

* At the end of the reporting period, financial guarantee liabilities have not been recognised as there is no indication that the subsidiaries would default on repayment and the probability that the financial guarantee contracts will be called by third parties is remote. Consequently, the amount is RMNil.

(iii) Market risks

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Hong Kong Dollar ("HKD"), EURO ("EUR"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the management.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities that are exposed to foreign currency risk at the end of the reporting period are as follows:

	USD RM	HKD RM	EUR RM	RMB RM	SGD RM	Total RM
Group						
2023						
Other receivables	–	1,175	–	–	–	1,175
Cash and bank balances	1,050,456	8,216	2,006,450	24,420	1	3,089,543
Trade payables	(327,810)	–	–	–	–	(327,810)
Other payables	(193,305)	(193,305)	–	–	–	(386,610)
Net exposure	529,341	(183,914)	2,006,450	24,420	1	2,376,298
Group						
2022						
Other receivables	–	1,126	–	–	–	1,126
Cash and bank balances	1,017,826	447,598	1,848,609	70,310	510,014	3,894,357
Trade payables	(313,326)	–	–	–	–	(313,326)
Other payables	–	(204,333)	–	–	–	(204,333)
Net exposure	704,500	244,391	1,848,609	70,310	510,014	3,377,824
						HKD RM
Company						
2023						
Cash and bank balances						6,223
2022						
Cash and bank balances						6,128

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 2023

46. 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.

	2023		2022	
	Changes in currency rate	Effect on profit before tax RM	Changes in currency rate	Effect on profit before tax RM
Group				
USD	Strengthened 10%	52,934	Strengthened 10%	70,450
	Weakened 10%	(52,934)	Weakened 10%	(70,450)
HKD	Strengthened 10%	(18,391)	Strengthened 10%	24,439
	Weakened 10%	18,391	Weakened 10%	(24,439)
EUR	Strengthened 10%	200,645	Strengthened 10%	184,861
	Weakened 10%	(200,645)	Weakened 10%	(184,861)
RMB	Strengthened 10%	2,442	Strengthened 10%	7,031
	Weakened 10%	(2,442)	Weakened 10%	(7,031)
SGD	Strengthened 10%	–	Strengthened 10%	51,001
	Weakened 10%	–	Weakened 10%	(51,001)
Company				
HKD	Strengthened 10%	622	Strengthened 10%	613
	Weakened 10%	(622)	Weakened 10%	(613)

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. 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:

	2023 RM	Group 2022 RM
Fixed Rate Instruments		
Financial Asset		
Fixed deposits with licensed banks	73,159,435	24,754,911
Financial Liability		
Lease liabilities	29,882,642	26,119,311
Floating Rate Instruments		
Financial Assets		
Cash held under Housing Development	478,126,186	235,387,063
Cash and bank balances	6,837,751	1,250,055
	484,963,937	236,637,118
Financial Liabilities		
Borrowings and bank overdrafts	675,372,529	835,849,775
Sukuk	62,968,000	55,270,000
	738,340,529	891,119,775
	2023 RM	Company 2022 RM
Fixed Rate Instrument		
Financial Asset		
Fixed deposits with licensed banks	1,421,944	1,041,793
Floating Rate Instruments		
Financial Asset		
Cash and bank balances	1,741,471	310,623
Financial Liabilities		
Bank borrowings and overdrafts	160,078,501	207,723,345

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

46. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

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 RM2,533,766 (2022: RM6,544,827), 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 RM1,583,370 (2022: RM2,074,127), arising mainly as a result of higher or lower interest income on floating rate financial assets and financial liabilities. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. This investment is listed on Bursa Securities and is classified as financial asset measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income.

Management of the Group monitors investment in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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47. 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 debts divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	2023 RM	Group 2022 RM
Debts		
Lease liabilities	29,882,642	26,119,311
Bank borrowings and overdrafts	675,372,529	835,849,775
Sukuk	62,968,000	55,270,000
Total debts	768,223,171	917,239,086
Deposits, cash and bank balances		
Fixed deposits with licensed banks	73,159,435	24,754,911
Cash held under Housing Development Accounts	478,126,186	235,387,063
Cash and bank balances	156,376,552	104,968,603
Total deposits, cash and bank balances	707,662,173	365,110,577
Net debts	60,560,998	552,128,509
Total equity	1,845,431,220	1,754,825,152
Gross gearing ratio	0.42	0.52
Net gearing ratio	0.03	0.31

A subsidiary of the Company which had bank borrowings amounting to a total of RM30.25 million did not meet the financial covenants to Financial Service Cover Ratio ("FSCR") of minimum 1.2 times as at 31 December 2023. The subsidiary has since made good of the requirement of FSCR on 16 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

47. Capital Management (Cont'd)

The Group and the Company monitors capital using gearing ratio, which is the net debts divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows: (Cont'd)

	Company	
	2023 RM	2022 RM
Debts		
Bank borrowings and overdrafts	160,078,501	207,723,345
Total debts	160,078,501	207,723,345
Deposits, cash and bank balances		
Fixed deposits with licensed banks	1,421,944	1,041,793
Cash and bank balances	4,824,217	3,425,281
Total deposits, cash and bank balances	6,246,161	4,467,074
Net debts	153,832,340	203,256,271
Total equity	1,179,619,599	1,198,530,243
Gross gearing ratio	0.14	0.17
Net gearing ratio	0.13	0.17

There were no changes in the Group's and the Company's approach to capital management during the financial year.

48. Subsequent Events

- (a) On 14 November 2023, the Company had lodged a proposed establishment of an Islamic Medium Term Notes ("Sukuk Wakalah") programme of up to RM750.0 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") with the Securities Commission Malaysia ("SC").

The Sukuk Wakalah Programme has been structured with a perpetual tenure, each Sukuk Wakalah to be issued will have a tenure of more than one year.

Sukuk Wakalah

The proceeds raised from the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme shall be utilised by the Company and its subsidiaries for the following purposes:

- (i) finance Shariah-compliant capital expenditure, investment, general corporate purposes, working capital requirements of the Company and/or its subsidiaries;
- (ii) refinance any existing financing/borrowings and/or future Shariah-compliant financing of the Company and/or its subsidiaries (including redemption of outstanding sukuk);
- (iii) pre-fund the minimum required balance in the applicable finance service reserve account; and/or
- (iv) defray any fees, costs and expenses in relation to the establishment of the Sukuk Wakalah Programme and issuance of Sukuk Wakalah under the Sukuk Wakalah Programme.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

48. Subsequent Events (Cont'd)

(a) Sustainability Sukuk Wakalah

The Sukuk Wakalah Programme also provides flexibility for the Company to issue Sustainability Sukuk Wakalah which is in compliance with amongst others, Sustainable and Responsible Investment ("SRI") Sukuk, framework, standards or principles issued by the SC, the ASEAN Capital Markets Forum or the International Capital Market Association ("Sustainability Guidelines/ Frameworks").

Sustainability Financing Framework

The Company has also established a Sustainability Financing Framework, which has been assigned a "Gold" Impact Bond Assessment by MARC Ratings Berhad.

Proceeds raised from the issuance of Sustainability Sukuk Wakalah shall be utilised for eligible projects as outlined in the Company's Sustainability Financing Framework, which is consistent with the applicable Sustainability Guidelines/Frameworks.

On 23 January 2024, the Company made a first issuance of RM200.0 million in nominal value pursuant to the Sukuk Wakalah Programme.

- (b) On 15 January 2024, the Company had subscribed for 100 ordinary shares in LBS Agro Farm Sdn. Bhd. ("LBSAFSB") for a total cash consideration of RM100 only. Consequently, LBSAFSB became a wholly-owned subsidiary of the Company.
- (c) On 26 January 2024, SASB had subscribed for 51 ordinary shares, representing 51% equity interest in Suria Hijauan Sdn. Bhd. ("SHSB") for a total cash consideration of RM51 only. Consequently, SHSB became a 51% owned subsidiary of SASB.
- (d) On 29 January 2024, LBSAFSB had subscribed for 100 ordinary shares in Sinaran Gerbang Sdn. Bhd. ("SGSB") for a total cash consideration of RM100 only. Consequently, SGSB became a wholly-owned subsidiary of the LBSAFSB.
- (e) On 21 February 2024, Generasi Nostalgia Sdn. Bhd. ("GNSB"), a wholly-owned subsidiary of LBS Bina, had reduced its share capital from RM250,000 comprising 250,000 ordinary shares to RM11,000 comprising 11,000 ordinary shares by cancelling the shares capital of RM239,000 comprising 239,000 ordinary shares.
- (f) On 8 April 2024, the Company disposed 2,000,000 ordinary shares, representing 0.34% equity interest in MGB for a total cash consideration of RM1,620,000 only. Consequently, MGB became a 58.32% owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

49. Capital Commitments

	2023 RM	Group 2022 RM
Approved and contracted for:		
- Property development lands	488,845,181	424,110,556
- Construction of right-of-use assets	33,032,611	50,328,496
- Acquisition of property, plant and equipment	11,695,720	–
	533,573,512	474,439,052

50. Financial Guarantees

	2023 RM	Group 2022 RM
<u>Secured:</u>		
Bank guarantees for:		
- property development	124,738,420	44,473,899
- others	103,000	54,700
	124,841,420	44,528,599
<u>Unsecured:</u>		
Corporate guarantees given to third parties in respect of trade facilities granted to subsidiaries	27,000,000	31,000,000
	27,000,000	31,000,000
	2023 RM	Company 2022 RM
<u>Unsecured:</u>		
Corporate guarantees given to:		
- licensed banks to secure banking facilities granted to subsidiaries	726,862,778	622,390,616
- third parties for undertaking due performance in relation to development rights and joint venture agreements	9,435,622	19,435,622
	736,298,400	641,826,238

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51. List of Subsidiaries

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Direct holding				
Galeri Cekap Sdn. Bhd.	Malaysia	100	100	Investment holding
Intellplace Holdings Limited	The 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
@ LBS Wellness Holdings Sdn. Bhd.	Malaysia	100	–	Investment holding
Kita Sejati Sdn. Bhd.	Malaysia	100	100	Property development
MGB Berhad	Malaysia	58.65	58.65	Provision of management services and investment holding
Saujana Tunggal Sdn. Bhd.	Malaysia	100	100	Investment holding
@ Setara Armada Sdn. Bhd.	Malaysia	100	–	Development and operation of power generation from renewable energy solar and other renewable energy projects
^ SPJ Construction Sdn. Bhd.	Malaysia	60	60	Construction works
Indirect holding				
<u>Subsidiaries of LBS Bina Holdings Sdn. Bhd.:</u>				
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
Astana Modal (M) Sdn. Bhd.	Malaysia	100	100	Property development
Azam Perspektif Sdn. Bhd.	Malaysia	100	100	Property development
@ Bendera Belian Sdn. Bhd.	Malaysia	100	–	Property development
Bimbingan Sumber Sdn. Bhd.	Malaysia	60	60	Property development
Casa Inspirasi Sdn. Bhd.	Malaysia	69	69	Property development, construction, investment holding and letting of property
Cergas Asal (M) Sdn. Bhd.	Malaysia	100	100	Property development
@ Central Valley Ventures ^^ Sdn. Bhd.	Malaysia	70	–	Property development

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

51. List of Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Indirect holding (Cont'd)				
Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)				
Dataran Enigma Sdn. Bhd.	Malaysia	61	61	Property development
Duta Abadi Sdn. Bhd.	Malaysia	100	100	Property development
Equal Alliance Sdn. Bhd.	Malaysia	100	100	Property development
Equal Sign Sdn. Bhd.	Malaysia	100	100	Property development and hotel operation
Focal Remedy Sdn. Bhd.	Malaysia	100	100	Property development
Fokus Awana Sdn. Bhd.	Malaysia	100	100	Property development
Generasi Nostalgia Sdn. Bhd.	Malaysia	100	100	Property development
Generasi Simbolik Sdn. Bhd.	Malaysia	100	100	Property development
Getstyle Sdn. Bhd.	Malaysia	100	100	Property development
@ Green Technology Solar Sdn. Bhd.	Malaysia	100	–	Property development and property investment
Inderaloka Impian Sdn. Bhd.	Malaysia	100	100	Property development, and provision of financial services to the group
Intellview Sdn. Bhd.	Malaysia	100	100	Property development
Iringan Kejora Sdn. Bhd.	Malaysia	70	70	Property development
Jatidiri Gigih Sdn. Bhd.	Malaysia	100	100	Property development
Jauhari Unggul Sdn. Bhd.	Malaysia	100	100	Property development
Johan Anggun Sdn. Bhd.	Malaysia	85	85	Property development
Kalimah Jaya Sdn. Bhd.	Malaysia	100	100	Investment holding
Kemudi Ehsan Sdn. Bhd.	Malaysia	100	100	Property development
Kilatlima Sdn. Bhd.	Malaysia	100	100	Property development and car park management
Kirana Emas Sdn. Bhd.	Malaysia	51	51	General trading
Koleksi Sigma Sdn. Bhd.	Malaysia	85	75	Property development
LBS Borneo Sdn. Bhd.	Malaysia	51	51	Construction works
LBS Capital Sdn. Bhd.	Malaysia	100	100	Provision of financial services
Mayang Jelatek Sdn. Bhd.	Malaysia	51	51	Property development
Misi Aktif Sdn. Bhd.	Malaysia	100	100	Property development
MITC Sdn. Bhd.	Malaysia	100	100	Property development and provision of property management services

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

51. List of Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Indirect holding (Cont'd)				
<u>Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)</u>				
Panglima Riang Sdn. Bhd.	Malaysia	51	51	Wholesale of a variety of goods
Pelangi Homes Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
@ Pelangi Kolonel Sdn. Bhd.	Malaysia	100	–	Property development
Pembangunan Primer Sdn. Bhd.	Malaysia	100	100	Property development
Puncak Gama Sdn. Bhd.	Malaysia	100	100	Property development
Saga Megah Sdn. Bhd.	Malaysia	100	100	Trading of building materials
Seloka Sinaran Sdn. Bhd.	Malaysia	100	100	Property development
Sepadan Maju Sdn. Bhd.	Malaysia	100	100	Property development
Seribu Baiduri Sdn. Bhd.	Malaysia	100	100	Property development
@ Sejuta Bina Sdn. Bhd.	Malaysia	100	–	Property development
Sinaran Restu Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
@ STP Desa Pembangunan Sdn. Bhd.	Malaysia	100	–	Construction activities
Utuh Aspirasi Sdn. Bhd.	Malaysia	100	100	Property development
Wirama Era Baru Sdn. Bhd.	Malaysia	51	51	Property development
<u>Subsidiary of Casa Inspirasi Sdn. Bhd.:</u>				
Seri Aliran Sdn. Bhd.	Malaysia	69	69	Treatment and distribution of water for water supply purposes
<u>Subsidiary of Saujana Tunggal Sdn. Bhd.:</u>				
Gerbang Mekar Sdn. Bhd.	Malaysia	100	100	Letting and management of a retail mall and provision of retail management services
<u>Subsidiaries of Sinaran Restu Sdn. Bhd.:</u>				
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
Pacific Grant Sdn. Bhd.	Malaysia	100	100	Property development
Silibin Jaya Sdn. Bhd.	Malaysia	100	100	Property development
<u>Subsidiary of Kalimah Jaya Sdn. Bhd.:</u>				
Utuh Sejagat Sdn. Bhd.	Malaysia	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

51. List of Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Indirect holding (Cont'd)				
<u>Subsidiaries of Pelangi Homes Sdn. Bhd.:</u>				
Restu Bidara Sdn. Bhd.	Malaysia	100	100	Property development
Biz Bena Development Sdn. Bhd.	Malaysia	51.92	51.92	Property development
<u>Subsidiary of Galeri Cepak Sdn. Bhd.:</u>				
Leaptec Engineering Sdn. Bhd.	Malaysia	70	70	Investment holding
<u>Subsidiary of Leaptec Engineering Sdn. Bhd.:</u>				
Maju Kamabisa Sdn. Bhd.	Malaysia	70	70	Property development
<u>Subsidiary of LBS Wellness Holdings Sdn. Bhd.:</u>				
@ LBS Healthcare Sdn. Bhd.	Malaysia	60	–	Operation of hospital activities
<u>Subsidiaries of MGB Berhad:</u>				
Alunan Warta Sdn. Bhd.	Malaysia	29.91	29.91	Other service activities
MGB Construction Sdn. Bhd.	Malaysia	58.65	58.65	Civil engineering, design and build, general construction activities, provision of management services, investment holding and operation of generation facilities that produce electric energy
MGB Land Sdn. Bhd.	Malaysia	58.65	58.65	Investment holding
MGB Construction & Engineering Sdn. Bhd.	Malaysia	58.65	58.65	Civil engineering, design and build, general construction activities, trading of construction materials, investment holding, management of property, building, land and estates, architectural, technical and engineering consultancy, sales and marketing and credit administration activities
MGB Water Solution Sdn. Bhd.	Malaysia	41.06	41.06	Construction of reservoir and water treatment
Newsteel Building Systems Sdn. Bhd.	Malaysia	46.92	46.92	Manufacture, supply and installation of steel related building materials
Vintage Roofing & Construction Sdn. Bhd.	Malaysia	58.65	58.65	Construction activities
Vintage Tiles Holdings Sdn. Bhd.	Malaysia	58.65	58.65	Investment holding and trading of roof tiles and related roof products

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

51. List of Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Indirect holding (Cont'd)				
<u>Subsidiary of MGB Construction Sdn. Bhd.:</u>				
* MGB International for Industry	Kingdom of Saudi Arabia	58.65	58.65	Manufacturing of Industrialised Building System precast concrete products and construction of residential buildings
<u>Subsidiaries of MGB Land Sdn. Bhd.:</u>				
Delta Gallery Sdn. Bhd.	Malaysia	58.65	58.65	Property development
Idaman Aktif Sdn. Bhd.	Malaysia	58.65	58.65	Property development
Idaman Elegan Sdn. Bhd.	Malaysia	58.65	58.65	Property development and operation of generation facilities that produce electric energy
Idaman Kukuh Sdn. Bhd.	Malaysia	58.65	58.65	Property development
Idaman Rawang Sdn. Bhd.	Malaysia	58.65	58.65	Property development
Idaman Living Sdn. Bhd.	Malaysia	58.65	58.65	Property development
Multi Court Developers Sdn. Bhd.	Malaysia	58.65	58.65	Property development
** MGB Development Sdn. Bhd. <i>(Formerly known as MGB Kampar Development Sdn. Bhd.)</i>	Malaysia	58.65	–	Property development and operation of generation facilities that produce electric energy
Retro Court Sdn. Bhd.	Malaysia	58.65	58.65	Property development
Sinaran Kencana Sdn. Bhd.	Malaysia	58.65	58.65	Property development
<u>Subsidiaries of MGB Construction & Engineering Sdn. Bhd.:</u>				
Prisma Kasturi Sdn. Bhd.	Malaysia	58.65	58.65	Hospitality
Top Ace Solutions Sdn. Bhd.	Malaysia	58.65	58.65	Trading of building material and general construction activities
** MGB Development Sdn. Bhd. <i>(Formerly known as MGB Kampar Development Sdn. Bhd.)</i>	Malaysia	–	58.65	Property development and operation of generation facilities that produce electric energy
MGB SANY (M) IBS Sdn. Bhd.	Malaysia	47.51	47.51	Manufacturing of Industrialised Building System precast concrete products
<u>Subsidiary of Intellplace Holdings Limited:</u>				
** Dragon Hill Corporation Limited	Hong Kong	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

51. List of Subsidiaries (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Indirect holding (Cont'd)				
<u>Subsidiary of Dragon Hill Corporation Limited:</u>				
## Lamdeal Investments Limited	Hong Kong	100	100	Project investment through a subsidiary in The People's Republic China ("PRC")
<u>Subsidiary of Lamdeal Investments Limited:</u>				
* Zhuhai International Circuit Limited	PRC	60	60	Racing circuit development and management
<u>Subsidiary of Zhuhai International Circuit Limited:</u>				
## Zhuhai International Circuit Promotion (HK) Limited	Hong Kong	60	60	Providing handling services to its holding company

* Subsidiary not audited by UHY, Malaysia

@ Became subsidiary during the financial year

^ Winding-up during the financial year 2023

** Changes in holding company due to internal restructuring

^^ Incorporated in July 2023, no audit is required during the financial year

The financial statements of these companies are audited by member firms of UHY International Limited which are separate and independent legal entities from UHY, Malaysia

52. List of Associates

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Indirect holding				
<u>Associates of LBS Bina Holdings Sdn. Bhd.:</u>				
@ Bendera Berlian Sdn. Bhd.	Malaysia	–	49	Property development
# Sambungan Aktif Sdn. Bhd.	Malaysia	–	35	Property development
@ Setara Armada Sdn. Bhd.	Malaysia	–	30	Development or operation of power generation from renewable energy solar and other projects renewable energy
Tarikan Puncak Sdn. Bhd.	Malaysia	20	20	Property development
* Usaha Semarak Sdn. Bhd.	Malaysia	35	35	Property development
Warnasari Idaman Sdn. Bhd.	Malaysia	30	30	Property development
<u>Associate of MGB Construction & Engineering Sdn. Bhd.:</u>				
MGB JPC Consultancy Sdn. Bhd.	Malaysia	17.60	17.60	Engineering consultancy services

@ Became associate during the financial year

* Associated companies not audited by UHY.

Strike off during the financial year 2023

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

53. Comparative Figures

The following comparative figures have been reclassified to conform with the current year's presentation.

	As previously stated RM	Group As restated RM	Increase/ (decrease) RM
Statements of Financial Position			
2022			
Current liabilities			
Contract liabilities	31,192,292	34,028,889	2,836,597
Other payables	479,543,853	476,707,256	(2,836,597)
Statements of Cash Flows			
2022			
Changes in working capital			
Contract liabilities	16,603,012	13,766,415	(2,836,597)
Other payables	(30,550,792)	(27,714,195)	2,836,597

Reclassification of Other Payables to Provisions Contract Liabilities

The Group reclassified RM2,836,597 from other payables to contract liabilities for rental income received in advance and sales of hotel voucher. The reclassification was made to better reflect the nature of the liability as a contract liabilities, in accordance with the Company's accounting policy.

54. 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 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 17 April 2024.

LIST OF MATERIAL PROPERTIES

OWNED BY THE GROUP AS AT 31 DECEMBER 2023

Location	Description	Tenure	Net Book Value RM'000	Land Area (acres)	Date of Acquisition
Lot 77380, 77381, 78557-78596, 83808, 83809 & 62607 Mukim Tanjong Duabelas Daerah Kuala Langat Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 05.02.2094 & 22.11.2116)	202,225	71.31	31.10.2012
Jinding, Zhuhai The People's Republic of China	Land and buildings (age: 24 years)	Land use right term (expiring on 23.10.2043)	141,650	246.53	02.10.2013
Lot 20952, 24962 & 24963 District of Johor Bahru Johor Darul Takzim	Land held for development	Freehold and leasehold (expiring on 01.11.2099)	123,091	5.50	30.04.2015 / 27.10.2015
Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Land under development and held for development	Freehold	116,665	458.90	27.07.2007 / 27.01.2022
Lot 13961, Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 06.10.2108 & 20.12.2121)	106,411	73.35	09.10.2009
Lot 117118 Mukim Petaling Selangor Darul Ehsan	Land under development	Leasehold (expiring on 04.09.2112)	91,778	7.98	01.02.2018
Lot 22823 & 22824 Mukim Ulu Sungai Johor Kota Tinggi Johor Darul Takzim	Land held for development	Leasehold (expiring on 12.01.2103)	89,728	341.85	19.04.2016
Lot 15311, 15313, 15315, 15316, PT 3279 & PT3904 Mukim Tanah Rata Cameron Highlands Pahang Darul Makmur	Land under development and held for development	Leasehold (expiring on 03.03.2115 & 24.04.2115)	83,761	77.96	30.11.2016
Gombak Kuala Lumpur	Retail mall known as M3 Mall (age: 7 years)	Leasehold (expiring on 01.11.2111)	83,622	3.24	08.03.2018
PT 147855 to 147950 Mukim Klang Selangor Darul Ehsan	Land held for development	Leasehold (expiring on 24.02.2107)	79,979	34.27	19.10.2015

ANALYSIS OF ORDINARY SHAREHOLDINGS

AS AT 31 MARCH 2024

ORDINARY SHARE CAPITAL

Types of Shares	:	Ordinary Shares
Issued Shares Capital	:	1,539,654,157 ordinary shares (excluding treasury shares of 29,590,994)
No. of Shareholders	:	8,829
Voting Rights	:	One (1) vote per ordinary share on a poll, in the meeting of shareholders.

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	852	9.650	37,834	0.003
100 - 1,000	1,665	18.858	631,670	0.041
1,001 - 10,000	3,014	34.138	15,117,905	0.982
10,001 - 100,000	2,666	30.196	81,015,976	5.262
100,001 - 76,982,706 *	628	7.113	995,483,077	64.656
76,982,707 AND ABOVE **	4	0.045	447,367,695	29.056
	8,829	100.000	1,539,654,157	100.000

Remarks:

* Less than 5% of Issued Shares

** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Shareholdings			
	Direct No. of Shares	%	Indirect No. of Shares	%
Gaterich Sdn Bhd	568,273,150	36.91	–	–
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San	38,646,014	2.51	568,273,150 ⁽¹⁾	36.91
Datuk Wira Lim Hock Guan	18,130,444	1.18	568,273,150 ⁽¹⁾	36.91
Kumpulan Wang Persaraan (Diperbadankan)	130,016,426	8.44	50,040,236 ⁽⁴⁾	3.25

ANALYSIS OF ORDINARY SHAREHOLDINGS

AS AT 31 MARCH 2024

DIRECTORS' INTEREST IN SHARES

Name of Directors	Shareholdings			
	Direct No. of Shares	%	Indirect No. of Shares	%
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San	38,646,014	2.51	573,026,085 ⁽³⁾	37.22
Datuk Wira Lim Hock Guan	18,130,444	1.18	570,900,010 ⁽³⁾	37.08
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	0.04	615,280 ⁽²⁾	0.04
Dato' Lim Mooi Pang	5,672,759	0.37	–	–
Dato' Lim Han Boon	150,000	0.01	–	–

Notes:

- (1) Indirect interest by virtue of his substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act").
- (2) Deemed interest by virtue of Section 59(11)(c) of the Act.
- (3) Indirect interest by virtue of his substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 8 of the Act and deemed interest by virtue of Section 59(11)(c) of the Act.
- (4) Indirect interest by virtue of shares held by Fund Managers of Kumpulan Wang Persaraan (Diperbadankan).

ANALYSIS OF ORDINARY SHAREHOLDINGS

AS AT 31 MARCH 2024

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Holder Name	Shares Held	%
1	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	134,084,100	8.709
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	130,013,646	8.444
3	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN.BHD. (SMART)	105,060,000	6.824
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (8120976)	78,209,949	5.080
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM WEE CHAI (PB)	54,656,250	3.550
6	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,886,040	2.915
7	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,392,518	2.883
8	RHB NOMINEES (TEMPATAN) SDN BHD INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	39,964,000	2.596
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	34,692,500	2.253
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	32,776,777	2.129
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	29,402,734	1.910
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (MY2970)	26,115,678	1.696
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GATERICH SDN BHD (PB)	25,123,000	1.632
14	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	23,993,868	1.558
15	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	23,734,400	1.542
16	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN BHD	23,525,200	1.528

ANALYSIS OF ORDINARY SHAREHOLDINGS

AS AT 31 MARCH 2024

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder) (Cont'd)

No.	Holder Name	Shares Held	%
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138104A)	19,028,220	1.236
18	KENANGA INVESTMENT BANK BERHAD IVT NAGA 68	18,909,078	1.228
19	LIM HOCK GUAN	18,130,444	1.178
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	17,263,459	1.121
21	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	16,457,700	1.069
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (5140113810 5A)	15,108,923	0.981
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	13,246,444	0.860
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	13,145,600	0.854
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (3000664)	12,480,336	0.811
26	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	11,772,318	0.765
27	TMF TRUSTEES MALAYSIA BERHAD LBS BINA GROUP BERHAD	10,688,136	0.694
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	9,968,200	0.647
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	9,851,400	0.639
30	LIM SIN KHONG	8,786,504	0.570
	TOTAL	1,045,467,422	67.902

ANALYSIS OF PREFERENCE SHAREHOLDINGS

AS AT 31 MARCH 2024

PREFERENCE SHARE CAPITAL

Types of Shares	:	Redeemable Convertible Preference Shares ("RCPS")
Issued RCPS Capital	:	94,099,035 RCPS
No. of Shareholders	:	877
Voting Rights	:	Ten (10) RCPS for eleven (11) votes

DISTRIBUTION OF PREFERENCE SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of RCPS	%
1 - 99	19	2.166	818	0.001
100 - 1,000	325	37.058	222,766	0.237
1,001 - 10,000	376	42.874	1,395,943	1.483
10,001 - 100,000	107	12.201	3,628,321	3.856
100,001 - 4,704,950 *	48	5.473	25,051,467	26.622
4,704,951 AND ABOVE **	2	0.228	63,799,720	67.801
	877	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 No. of RCPS	%	Indirect No. of RCPS	%
Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San	–	–	158,000 ⁽¹⁾	0.17
Maj (Hon) Dato' Sri Lim Hock Sing	–	–	38,800 ⁽¹⁾	0.04

Note:

⁽¹⁾ Deemed interest by virtue of Section 59(11)(c) of the Companies Act, 2016.

ANALYSIS OF PREFERENCE SHAREHOLDINGS

AS AT 31 MARCH 2024

LIST OF THIRTY (30) LARGEST RCPS HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Holder Name	Shares Held	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	53,026,600	56.352
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10,773,120	11.449
3	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,732,120	2.903
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	2,490,000	2.646
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	1,287,800	1.369
8	HO CHU CHAI	1,122,400	1.193
9	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	964,260	1.025
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	826,300	0.878
11	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	817,580	0.869
12	NG HO FATT	803,000	0.853
13	LIM SOO YONG	680,000	0.723
14	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR NG HO FATT	576,000	0.612
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	568,320	0.604
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F.TEMISLAMIC)	538,350	0.572
17	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LOH YEM PHOI (J KUNING 2-CL)	514,200	0.546

ANALYSIS OF PREFERENCE SHAREHOLDINGS

AS AT 31 MARCH 2024

LIST OF THIRTY (30) LARGEST RCPS HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder) (Cont'd)

No.	Holder Name	Shares Held	%
18	YEOH WAN CHIN	495,000	0.526
19	LIM KHUAN ENG	470,000	0.499
20	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	413,360	0.439
21	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SIN SANG (KUCHAI LAMA-CL)	371,000	0.394
22	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	335,391	0.356
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE2)	288,880	0.307
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	272,540	0.290
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	264,300	0.281
26	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	260,000	0.276
27	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ASIA PACIFIC TOTAL RETURN FUND	255,620	0.272
28	CARTABAN NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR KENANGA GLOBAL ISLAMIC FUND	234,920	0.250
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SIEW ENG @ ONG CHAI (3000190)	229,000	0.243
30	POH SIEW KUAN	228,606	0.243
	TOTAL	85,554,787	90.919

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting ("AGM") of LBS Bina Group Berhad ("LBGB" or "Company") will be held at Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan on Thursday, 13 June 2024 at 2.30 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes on Ordinary Business)**
2. To approve the payment of a Final Single-Tier Dividend of 1.35 sen per ordinary share for the financial year ended 31 December 2023. **Resolution 1**
3. To approve the payment of Directors' Fees to the Independent Non-Executive Directors who were in office during the 18 months period from 1 January 2023 to 30 June 2024 amounting to RM413,400.00, and the payment of Directors' Fees to the Independent Non-Executive Directors for the 12 months period from 1 July 2024 to 30 June 2025 as below: **Resolution 2**

Description	Annual Director's Fee (RM)	
	Chairman	Member
Board of Directors	–	70,000
Audit Committee	8,000	3,000
Nomination and Remuneration Committee	5,000	3,000
Sustainability Committee	5,000	3,000
Risk Management Committee	5,000	3,000
4. To approve the payment of allowances, fees and benefits-in-kind to the Directors of the Company up to an amount of RM2.0 million, for the period from 14 June 2024 to the next AGM of the Company to be held in year 2025. **Resolution 3**
5. To re-elect the following Directors who retire in accordance with Clause 100 of the Company's Constitution:- **Resolution 4
Resolution 5
Resolution 6**
 - (i) Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP
 - (ii) Datuk Wira Lim Hock Guan, JP
 - (iii) Dato' Lim Mooi Pang
6. To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**
7. As Special Business:
To consider and, if thought fit, to pass with or without any modifications, the following resolutions:-

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

(a) ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016 (“THE ACT”)

Resolution 8

“THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 & 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.”

(b) ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB AND ITS SUBSIDIARIES AND DIRECTORS AND MAJOR SHAREHOLDERS OF LBGB GROUP AND PERSONS CONNECTED WITH THEM

Resolution 9

“THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties stated in Part A of Section 2.3 of the Circular to Shareholders dated 30 April 2024 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.

THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within the next Annual General Meeting after this date it is required to be held pursuant to Section 340(2) of the Act, but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders’ Mandate during the financial year of the Company be disclosed in the Integrated Annual Report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (i) the type of transactions made; and
- (ii) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

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 30 April 2024 and/or this resolution."

Resolution 10

**(c) ORDINARY RESOLUTION
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT, subject always to the provisions under the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("LBGB Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase ("Proposed Renewal of Shares Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any LBGB Shares so purchased ("Purchased Shares") by the Company in the following manners:-

- (i) to cancel the Purchased Shares;
- (ii) to retain the Purchased Shares as treasury shares held by the Company;
- (iii) to distribute the treasury shares as dividend to shareholders;
- (iv) to resell the treasury shares on Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia;
- (v) to transfer the treasury shares for the purposes of or under an employees' share scheme and/or as purchase consideration; and/or
- (vi) in such manner as may be permitted pursuant to Section 127 of the Act, the provision of the Main Market Listing Requirements and any other relevant authorities for the time being in force.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

- (i) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

NOTICE OF TWENTY-FOURTH ANNUAL 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.”

8. 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 24th AGM, a Final Single-Tier Dividend of 1.35 sen per ordinary share in respect of the financial year ended 31 December 2023 will be paid on 12 September 2024 to depositors registered in the Record of Depositors on 30 August 2024.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 August 2024 in respect of transfers; and
- (b) shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

LEE CHING CHING
Company Secretary

Petaling Jaya, Selangor
30 April 2024

Notes:

- (1) A member of the Company who is entitled to attend, participate, speak and vote at the 24th AGM, may appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member.
- (2) If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 24th AGM.
- (3) 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.
- (4) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- (5) 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 counter-signed next to the alteration.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

- (6) 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 24th AGM or adjourned 24th AGM at which the person named in the appointment proposes to vote:
- (i) In hard copy form
- a. In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- b. By email to is.enquiry@my.tricorglobal.com or fax to 03-27839222.
- (ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <http://tiah.online> and steps to submit are summarised in the Administrative Guide for the 24th AGM.
- (7) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the ORIGINAL certificate appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, please bring the ORIGINAL certificate of appointment of authorised representative if it has not been deposited with the Share Registrar.
- (8) 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.
- (9) 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.
- (10) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Thursday, 6 June 2024.
- (11) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 24th AGM will be put to vote by way of poll.

Explanatory Notes on Ordinary Business

(1) Item 1 of the Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(2) Ordinary Resolution 2

Pursuant to Section 230(1) of the Act stipulates that the fees of Directors and any benefits payable to Directors shall be subject to shareholders' approval at a general meeting.

Based on the annual review, the Board had proposed fees payable to Independent Non-Executive Directors ("INED") under Resolution 2 for the financial year ended 31 December 2023, extending until the next AGM of the Company to be held in year 2025. This resolution, if passed, will give approval to the Company to continue paying the INEDs' fees in arrears on a monthly basis for their services on the Board and Board Committees. The Board opined that it is just and equitable for the INEDs to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

INEDs who are members of the Company will abstain from voting on this Resolution concerning their own remuneration at the 24th AGM.

(3) Ordinary Resolution 3

The Company had, at its 23rd AGM held on 20 June 2023, obtained approval from the shareholders in respect of remunerations and benefits to the Directors of the Company up to an amount of RM2.0 million for the period from 21 June 2023 until the 24th AGM, comprising, amongst others, including benefits-in-kind, medical and insurance coverage, discount on purchase of the products of the Company and its subsidiaries, allowances and fees from certain subsidiaries in respect of the significant roles in oversight and the wide-ranging scope of responsibilities.

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

The payment of remuneration and benefits for the said period did not exceed RM2.0 million.

In determining the estimated total amount payable, the Board considered various factors including the Directors' involvement and responsibilities in the Group. Payment of the allowances, fees and benefits-in-kind will be made in arrears on a monthly basis and/or as and when incurred, if the Ordinary Resolution 3 has been passed. The Board is of the view that it is just and equitable for the Directors to be paid such allowances, fees 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 24th AGM to the next AGM to be held in year 2025.

Directors who are members of the Company will abstain from voting on this Resolution 3 concerning their own remuneration at the 24th AGM.

(4) Ordinary Resolutions 4 to 6

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP, Datuk Wira Lim Hock Guan, JP and Dato' Lim Mooi Pang 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 24th AGM. They had undergone the performance evaluation and had individually made declaration of their fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group.

Based on the assessment of the Nomination and Remuneration Committee ("NRC"), the NRC is satisfied that the retiring Directors had demonstrated their commitment and continues to be diligence and competent in the role as Directors and the Board had endorsed the NRC's recommendations. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board's meeting.

The profiles of Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP, Datuk Wira Lim Hock Guan, JP and Dato' Lim Mooi Pang are set out in the Board of Directors' Profiles section and details of their interests in the securities of the Company are set out in the Analysis of Shareholdings section of the Company's Integrated Annual Report 2023.

(5) Ordinary Resolution 7

The Board has through the Audit Committee ("AC"), considered the re-appointment of Messrs. UHY as the Auditors of the Company. The factors considered by the AC in making the recommendation to the Board to table their re-appointment at the 24th AGM are disclosed in the Corporate Governance Overview Statement of the Company's Integrated Annual Report 2023.

Explanatory Notes on Special Business

(1) Ordinary Resolution 8

The Ordinary Resolution 8 proposed for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) 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 AGM.

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 23rd AGM held on 20 June 2023.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment, working capital and/or acquisition.

(2) Ordinary Resolution 9

Ordinary Resolution 9, if passed, will allow the Group to enter into the Recurrent Related Party Transactions in its ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This will reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on the Recurrent Related Party Transactions is set out in the Part A of Circular to Shareholders dated 30 April 2024 of the Company.

(3) Ordinary Resolution 10

Ordinary Resolution 10, if passed, will give authority to the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares 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 AGM.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Part B of Circular to Shareholders dated 30 April 2024 of the Company.

PRIVACY NOTICE

Dear Sirs/Madams,

This privacy notice for personal data ("**Privacy Notice**") is issued to all shareholders of LBGB (details of which can be found at <https://lbs.com.my/pdpa-notice/>) ("**Company**", "**we**", "**us**" or "**our**"), pursuant to the statutory requirements of the Personal Data Protection Act 2010 ("**PDPA**").

During your course of dealings with us, we will collect and process your personal data for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as "**Purposes**").

We will not disclose any of your personal data to any third party without your consent except to LBGB, our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at <http://www.lbs.com.my/>.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide products and/or services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Legal Department

Address : Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
Contact No. : 03-7877 7333
Fax No. : 03-7861 6099
Email Address : pdpa@lbs.com.my

If we do not hear from you within the next fourteen (14) days from the date of issuance of this Privacy Notice, we will take it that you have consented to us continuing to process your personal data in accordance with this Privacy Notice, and we will also take it that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data. You shall also procure the consent of your proxy appointed to attend any general meeting of the Company on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

To the extent that you have provided (or will provide) personal data about your family members, spouse and/or other dependents/ individuals, you confirm that you have explained to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. Any updates and amendments to our Privacy Policy will be posted on our website as above, and you are advised to check the Privacy Policy from time to time. If we amend this Privacy Notice or our Privacy Policy, the amendment(s) will apply retrospectively to all personal data collected.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

NOTIS PRIVASI

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini ("**Notis Privasi**") diberikan kepada semua pemegang saham LBGB (butirannya boleh didapati di <https://lbs.com.my/pdpa-notice/>) ("**Syarikat**", "**kita**" atau "**kami**"), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 ("**PDPA**").

Data peribadi anda yang telah dikumpulkan sebelum ini sedang, dan akan diproses secara berterusan bagi tujuan, termasuk, berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan, serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai "**Tujuan-Tujuan**").

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada LBGB, 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. Sesalanan Polisi Privasi kami boleh didapati di laman web kami di <http://www.lbs.com.my/>.

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan produk dan/atau perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbetulkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemrosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimanapun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

Permintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

Jabatan Undang-Undang

Alamat : Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
No Telefon : 03-7877 7333
No Faks : 03-7861 6099
Alamat E-mel : pdpa@lbs.com.my

Jika kami tidak menerima maklumbalas daripada anda berkenaan dengan perkara di atas dalam tempoh empat belas (14) hari dari tarikh Notis Privasi ini dikeluarkan, kami akan menganggap bahawa anda telah memberi kebenaran kepada kami untuk terus memproses data peribadi anda sepertimana yang tertera dalam Notis Privasi ini, dan kami akan menganggap bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung Syarikat bagi pihak anda, sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemrosesan (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 pemrosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan di laman web kami seperti di atas, dan anda dinasihatkan untuk menyemak Polisi Privasi dari semasa ke semasa. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu akan berkuat-kuasa secara retrospektif kepada semua data peribadi yang dikumpul.

Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunapakai.

FORM OF PROXY



I/We _____ NRIC No. / Company No. _____
of _____

being a member/members of **LBS BINA GROUP BERHAD**, hereby appoint:-

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting ("24th AGM") of the Company to be held at Function Room, Level 5, Plaza Seri Setia, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan on Thursday, 13 June 2024 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		

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 _____ 2024	No. of Shares Held	
	CDS Account No.	

Signature/ Common Seal of Shareholder(s)

NOTES:

- (1) A member of the Company who is entitled to attend, participate, speak and vote at the 24th AGM, may appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member.
- (2) If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 24th AGM.
- (3) 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.
- (4) Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- (5) 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 counter-signed next to the alteration.
- (6) 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 24th AGM or adjourned 24th AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
 - (a) In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (b) By email to is.enquiry@my.tricorglobal.com or fax to 03-27839222.
 - (ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <http://tih.online> and steps to submit are summarised in the Administrative Guide for the 24th AGM.
- (7) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the ORIGINAL certificate appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, please bring the ORIGINAL certificate of appointment of authorised representative if it has not been deposited with the Share Registrar.
- (8) 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.
- (9) 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.
- (10) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Thursday, 6 June 2024.
- (11) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 24th AGM will be put to vote by way of poll.

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STAMP

The Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
(197101000970 (11324-H))

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

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A large, abstract watercolor splash graphic in shades of green, blue, purple, and red, positioned on the left side of the page. The text is overlaid on this graphic.

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LBS BINA GROUP BERHAD

(REGISTRATION NO. 200001015875 (518482-H))

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