

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

| | Note | (UNAUDITED) | | | (UNAUDITED) | | |
|--|--|--|--|---|------------------------------|------------------------------|---|
| | | INDIVIDUAL QUARTER | | Changes Increase / (Decrease) RM'000 | CUMULATIVE QUARTER | | Changes Increase / (Decrease) RM'000 |
| | | 1 APR 2023 to 30 JUN 2023 | 1 APR 2022 to 30 JUN 2022 | | 1 JAN 2023 to 30 JUN 2023 | 1 JAN 2022 to 30 JUN 2022 | |
| Current Quarter RM'000 | Preceding Year Corresponding Quarter RM'000 | Current Financial Period RM'000 | Preceding Year Corresponding Financial Period RM'000 | | | | |
| Revenue | | 196,383 | 258,546 | (62,163) | 377,335 | 451,296 | (73,961) |
| Cost of sales | | (126,935) | (168,139) | (41,204) | (241,407) | (278,747) | (37,340) |
| Gross Profit | | 69,448 | 90,407 | (20,959) | 135,928 | 172,549 | (36,621) |
| Other income | | 8,790 | 3,869 | 4,921 | 17,449 | 6,736 | 10,713 |
| Administrative expenses | | (14,244) | (16,979) | (2,735) | (26,399) | (26,971) | (572) |
| Selling and marketing expenses | | (5,255) | (5,980) | (725) | (10,497) | (12,527) | (2,030) |
| Other expenses | | (6,542) | - | 6,542 | (6,542) | (1) | 6,541 |
| Finance costs | | (5,369) | (3,112) | 2,257 | (10,153) | (6,464) | 3,689 |
| Share of result of associate, net of tax | | 321 | - | 321 | 460 | - | (460) |
| Profit before tax | | 47,149 | 68,205 | (21,056) | 100,246 | 133,322 | (33,076) |
| Tax expense | B5 | (14,116) | (17,849) | (3,733) | (27,909) | (35,980) | (8,071) |
| Profit net of tax, representing total comprehensive income for the period | | 33,033 | 50,356 | (17,323) | 72,337 | 97,342 | (25,005) |
| Earnings per share (EPS) (in sen) | | | | | | | |
| Basic | | <u>3.96</u> | <u>6.03</u> | | <u>8.66</u> | <u>11.65</u> | |
| Diluted | | <u>3.41</u> | <u>4.96</u> | | <u>7.46</u> | <u>9.59</u> | |

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

| | (UNAUDITED) INDIVIDUAL QUARTER | | | (UNAUDITED) CUMULATIVE QUARTER | | |
|--|-----------------------------------|--|---|--|--|---|
| | 1 APR 2023 to 30 JUN 2023 | 1 APR 2022 to 30 JUN 2022 | Changes Increase / (Decrease) RM'000 | 1 JAN 2023 to 30 JUN 2023 | 1 JAN 2022 to 30 JUN 2022 | Changes Increase / (Decrease) RM'000 |
| | Current Quarter RM'000 | Preceding Year Corresponding Quarter RM'000 | | Current Financial Period RM'000 | Preceding Year Corresponding Financial Period RM'000 | |
| Profit for the period | 33,033 | 50,356 | (17,323) | 72,337 | 97,342 | (25,005) |
| Total comprehensive income for the period | <u>33,033</u> | <u>50,356</u> | (17,323) | <u>72,337</u> | <u>97,342</u> | (25,005) |
| Total comprehensive income attribute to : | | | | | | |
| Owner of the Company | 33,188 | 50,383 | (17,195) | 72,523 | 97,390 | (24,867) |
| Non-controlling Interest | (155) | (27) | (128) | (186) | (48) | 138 |
| | <u>33,033</u> | <u>50,356</u> | (17,323) | <u>72,337</u> | <u>97,342</u> | (25,005) |

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

| | UNAUDITED AS AT 30 JUN 2023 RM '000 | AUDITED AS AT 31 DEC 2022 RM '000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 31,984 | 17,227 |
| Investment properties | 23,652 | 23,652 |
| Goodwill | 25,576 | 25,576 |
| Investment in a joint venture | 1,005 | 545 |
| Inventories | 267,507 | 203,849 |
| | <u>349,724</u> | <u>270,849</u> |
| Current assets | | |
| Inventories | 495,446 | 472,042 |
| Trade receivables | 241,626 | 245,413 |
| Other receivables, deposits and prepayments | 80,095 | 68,630 |
| Contract assets | 297,919 | 277,800 |
| Tax recoverable | 7,550 | - |
| Deposits with licensed banks | 53,083 | 58,213 |
| Cash and bank balances | 247,198 | 383,583 |
| | <u>1,422,917</u> | <u>1,505,681</u> |
| TOTAL ASSETS | <u><u>1,772,641</u></u> | <u><u>1,776,530</u></u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 333,171 | 333,171 |
| Other reserves | (11,884) | (8,630) |
| Retained earnings | 734,825 | 691,608 |
| Equity attributable to owners of the Company | 1,056,112 | 1,016,149 |
| Non-controlling interests | (178) | 8 |
| TOTAL EQUITY | <u>1,055,934</u> | <u>1,016,157</u> |
| Non-current liabilities | | |
| Borrowings | 150,904 | 188,605 |
| Lease liabilities | 5,120 | 4,470 |
| Deferred tax liabilities | 3,679 | 1,121 |
| | <u>159,703</u> | <u>194,196</u> |
| Current liabilities | | |
| Trade payables | 157,422 | 178,811 |
| Other payables and accruals | 198,087 | 186,915 |
| Contract liabilities | 8,236 | 3,053 |
| Borrowings | 190,835 | 190,704 |
| Lease liabilities | 2,424 | 2,424 |
| Tax liabilities | - | 4,270 |
| | <u>557,004</u> | <u>566,177</u> |
| TOTAL LIABILITIES | <u>716,707</u> | <u>760,373</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>1,772,641</u></u> | <u><u>1,776,530</u></u> |
| Net Assets per ordinary share (RM) | 1.26 | 1.27 |

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

| | ← Non-Distributable → | | Distributable | | Total Equity RM '000 |
|--|-----------------------------|-----------------------------|---------------------------------|---|----------------------------|
| | Share capital RM '000 | Other reserve RM '000 | Retained earnings RM '000 | Non- controlling interests RM '000 | |
| As at 1 January 2023 | 333,171 | (8,630) | 691,608 | 8 | 1,016,157 |
| Profit/(loss) for the period | - | - | 72,523 | (186) | 72,337 |
| Transaction with owners of the Company: | | | | | |
| Share-based payments/transactions | - | 655 | - | - | 655 |
| Dividend paid to the shareholders of the Company | - | - | (29,306) | - | (29,306) |
| RCPS dividend paid/payable during the period | - | (3,909) | - | - | (3,909) |
| As at 30 June 2023 | 333,171 | (11,884) | 734,825 | (178) | 1,055,934 |
| As at 1 January 2022 | 314,551 | (1,700) | 567,777 | (5) | 880,623 |
| Profit/(loss) for the period | - | - | 97,390 | (48) | 97,342 |
| Transaction with owners of the Company: | | | | | |
| Share-based payments/transactions | - | 1,755 | - | - | 1,755 |
| Dividend paid to the shareholders of the Company | - | - | (29,306) | - | (29,306) |
| RCPS dividend paid/payable during the period | - | (3,943) | - | - | (3,943) |
| Conversion of Warrant B | 18,620 | - | - | - | 18,620 |
| As at 30 June 2022 | 333,171 | (3,888) | 635,861 | (53) | 965,091 |

The unaudited Condensed Consolidated Statement of Change in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

| | (UNAUDITED) 6 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 23 TO 30 JUN 23 RM '000 | (UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 22 TO 30 JUN 22 RM '000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Pofit before tax | 100,246 | 133,322 |
| Adjustments for : | | |
| Accretion of interest income on deferred other receivable | - | (438) |
| Depreciation of property, plant and equipment | 2,315 | 1,484 |
| Gain on disposal of property, plant and equipment | (173) | (139) |
| Gain on remeasurement of lease liabilities | (333) | (98) |
| Revaluation surplus on property, plant and equipment | (4,777) | - |
| Interest expenses | 10,153 | 6,464 |
| Interest income | (2,986) | (1,099) |
| Share of results of a joint venture | (460) | - |
| Share based payment expenses | 655 | 1,755 |
| Operating profit before working capital changes | <u>104,640</u> | <u>141,251</u> |
| Inventories | (100,861) | 16,210 |
| Contract assets | (14,936) | (90,391) |
| Receivables | 42,662 | (48,412) |
| Payables | (10,288) | (5,922) |
| Cash generated from operations | <u>21,217</u> | <u>12,736</u> |
| Interest received | 2,986 | 1,099 |
| Interest paid | (10,082) | (5,925) |
| Income tax paid | (37,171) | (35,179) |
| Net cash used in operating activities | <u>(23,050)</u> | <u>(27,269)</u> |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Deposit paid for lands held for future development | (44,057) | (29,855) |
| Purchase of property, plant and equipment | (2,566) | (1,446) |
| Proceeds from disposal of property, plant and equipment | 338 | 139 |
| Net cash used in investing activities | <u>(46,285)</u> | <u>(31,162)</u> |
| CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES | | |
| Dividend paid to RCPS holders | (3,909) | (3,943) |
| Dividend paid to shareholders | (29,306) | (29,306) |
| Proceeds from conversion of warrant B | - | 18,620 |
| (Repayment)/Drawdown of borrowings | (37,571) | 86,889 |
| Payment for the principal portion of lease liabilities | (1,395) | (980) |
| Decrease/(Increase) in fixed deposit pledged | 9,625 | (30,318) |
| Net cash (used in)/generated from financing activities | <u>(62,556)</u> | <u>40,962</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(131,891)</u> | <u>(17,469)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>409,647</u> | <u>225,778</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u><u>277,756</u></u> | <u><u>208,309</u></u> |

The unaudited Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (Cont'd)

| | (UNAUDITED) 6 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 23 TO 30 JUN 23 RM'000 | (UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 22 TO 30 JUN 22 RM'000 |
|--|---|---|
| Cash and cash equivalent comprises: | | |
| Cash and bank balances | 240,151 | 163,853 |
| Fixed deposits with licensed banks | 53,083 | 37,862 |
| Short term investments | 7,047 | 40,497 |
| | <u>300,281</u> | <u>242,212</u> |
| Less: | | |
| Fixed deposits pledged with licensed banks | <u>(22,525)</u> | <u>(33,903)</u> |
| | <u>277,756</u> | <u>208,309</u> |

The unaudited Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basic of preparation

The interim financial report has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting, the requirements of the Companies Act, 2016 in Malaysia, and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2022 and the accompanying explanatory notes attached. These explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

A2. Significant Accounting Policies

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

The following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

| | Effective date |
|--|-----------------------|
| Amendments to MFRS 16 : Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101 : Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

The Group and the Company plan to apply the abovementioned standards, amendments, and interpretations when they become effective in the respective financial periods.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Comparatives

The comparative figures have not been restated.

A4. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2022.

A5. Auditors’ Report on Preceding Annual Financial Statements

The Auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

A6. Seasonal or cyclical factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

A7. Unusual items affecting Assets, Liabilities, Equity, Net income or Cash flow

There were no items or events that arose during the quarter under review, which affected assets, liabilities, equity, net income or cash flows that are unusual by reason of their nature, size or incidence.

A8. Material changes in estimates

There were no changes in estimates that have had any material effect during the financial quarter under review.

A9. Debt and equity securities

There were no further issuance, cancellations, repurchases, resale and repayment of debts and equity securities during the current quarter.

A10. Dividend paid

On 11 April 2023, the Company paid a single-tier second interim dividend of 3.5 sen per ordinary shares amounting to RM29,306,451 in respect of the financial year ended 31 December 2022.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A11. Segment Revenue and Segment Result By Business Segments

(a) Primary reporting format – business segment

All the operations of the Group are organised in Malaysia into three main business segments:

- (i) Property development - property development
- (ii) Construction - building construction
- (iii) Trading - trading of building materials and hardware

Transactions between segments were entered into the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transaction are eliminated on consolidation.

(b) Secondary reporting format – geographical segment

The operations of the Group are substantially carried out in Malaysia.

Financial period ended 30 June 2023

| | Property development RM '000 | Construction RM '000 | Trading RM '000 | Non- reportable segment RM '000 | Elimination RM '000 | Group RM '000 |
|--------------------------------|------------------------------------|-------------------------|--------------------|--|------------------------|------------------|
| Sales to external customers | 304,342 | 17,561 | 55,423 | 9 | - | 377,335 |
| Inter-segment revenue | 7,987 | 176,984 | 44,268 | 29,680 | (258,920) | - |
| Total revenue | 312,329 | 194,545 | 99,691 | 29,689 | (258,920) | 377,335 |
| Gross profit | 111,005 | 19,679 | 5,224 | 29,604 | (29,584) | 135,928 |
| Other income | 50,227 | 1,521 | 466 | 5,692 | (40,457) | 17,449 |
| Administrative expenses | (18,623) | (3,660) | (1,546) | (6,862) | 4,292 | (26,399) |
| Selling and marketing expenses | (10,416) | - | - | - | (81) | (10,497) |
| Other expenses | (6,542) | - | - | - | - | (6,542) |
| Finance costs | (12,333) | (282) | (356) | (1,728) | 4,546 | (10,153) |
| Share of result of associates | - | - | - | - | 460 | 460 |
| Profit/(loss) before tax | 113,318 | 17,258 | 3,788 | 26,706 | (60,824) | 100,246 |
| Taxation | | | | | | (27,909) |
| Profit after tax | | | | | | 72,337 |

Financial period ended 30 June 2022

| | Property development RM '000 | Construction RM '000 | Trading RM '000 | Non- reportable segment RM '000 | Elimination RM '000 | Group RM '000 |
|--------------------------------|------------------------------------|-------------------------|--------------------|--|------------------------|------------------|
| Sales to external customers | 373,847 | 16,646 | 60,803 | - | - | 451,296 |
| Inter-segment revenue | 15,063 | 131,880 | 3,182 | 30,000 | (180,125) | - |
| Total revenue | 388,910 | 148,526 | 63,985 | 30,000 | (180,125) | 451,296 |
| Gross profit | 150,134 | 27,416 | 3,818 | 30,000 | (38,819) | 172,549 |
| Other income | 5,840 | 311 | 427 | 5,381 | (5,223) | 6,736 |
| Administrative expenses | (16,728) | (3,446) | (1,329) | (6,697) | 1,229 | (26,971) |
| Selling and marketing expenses | (12,752) | - | - | - | 225 | (12,527) |
| Other expenses | (1) | - | - | - | - | (1) |
| Finance costs | (6,821) | (43) | (268) | (5,151) | 5,819 | (6,464) |
| Profit/(loss) before tax | 119,672 | 24,238 | 2,648 | 23,533 | (36,769) | 133,322 |
| Taxation | | | | | | (35,980) |
| Profit after tax | | | | | | 97,342 |

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A12. Valuation of property, plant and equipment

There was no revaluation of property for the current financial quarter under review.

A13. Subsequent events

There were no significant events subsequent to the end of this financial quarter up to 14 August 2023 being the last practicable date from the date of issuance of this report save for the item disclosed in Note B7(b).

A14. Changes in the composition of the Group

Save for the below, there were no changes in the composition of the Group during the financial period under review:

- (a) On 13 June 2023, the Company has incorporated two (2) new wholly owned subsidiaries companies under Companies Act, 2016, namely Lagenda Property 1 Sdn Bhd and Lagenda Property 2 Sdn Bhd. Subsequently, Lagenda Property 1 Sdn Bhd has changed its name to Lagenda Harta Sdn Bhd on 8 August 2023. Both Lagenda Harta Sdn Bhd and Lagenda Property 2 Sdn Bhd were incorporated with a paid-up share capital of RM1.00 comprising 1 unit of share.

A15. Capital commitment

There were no material capital expenditure commitments during the current quarter under review except for acquisition of development land authorised and contracted for amounting to RM394.34 million.

A16. Related party transactions

Transaction with shareholders/directors of the company and its subsidiary companies, and with companies in which they have interest.

| | 2nd Quarter ended |
|------------------|--------------------------|
| | 30 June 2023 |
| | RM '000 |
| Rental paid | 935 |
| Rental received | (850) |
| Sale of material | (3,869) |
| | <u>(3,869)</u> |

A17. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2022.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))
(Incorporated in Malaysia)



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review

| | 2nd Quarter ended 30 Jun 2023 RM '000 | 2nd Quarter ended 30 Jun 2022 RM '000 | Changes Increase / (Decrease) RM '000 | % |
|----------------------------------|---|---|--|--------|
| Revenue | | | | |
| Property development | 159,976 | 233,084 | (73,108) | (31.4) |
| Construction | 103,829 | 68,632 | 35,197 | 51.3 |
| Trading | 49,050 | 29,692 | 19,358 | 65.2 |
| <i>Intra-group elimination</i> * | (116,472) | (72,862) | (43,610) | 59.85 |
| Total revenue | 196,383 | 258,546 | (62,163) | (24.0) |
| Profit/(loss) before tax | | | | |
| Property development | 36,996 | 71,070 | (34,074) | (47.9) |
| Construction | 9,406 | 12,926 | (3,520) | (27.2) |
| Trading | 1,660 | 774 | 886 | 114.5 |
| Investment holding | (1,824) | (3,415) | 1,591 | (46.6) |
| <i>Intra-group elimination</i> * | 911 | (13,150) | (14,061) | 106.9 |
| Total profit before tax | 47,149 | 68,205 | (21,056) | (30.9) |

* *Intragroup elimination was performed in accordance to Malaysia Financial Reporting Standard ("MFRS") 10 : Consolidated Financial Statement*

For the current financial quarter ended 30 June 2023, the Group recorded a revenue of RM196.38 million representing a decrease of 24.0% as compared to preceding year corresponding quarter's revenue of RM258.55 million. The decrease in revenue from the property development segment was due to lower progress contribution on our newly launched projects as this project still in the early stage of their respective construction milestone.

The increase in construction revenue to RM103.83 million comparing to last year corresponding quarter was mainly due to lesser construction works on near CCC projects as compared to this quarter under review. For the quarter under review, newly launched projects are gaining more momentum in their respective construction site.

Revenue and the profit before tax from trading segment has increase to RM49.10 million and 1.66 million respectively, this is mainly due to higher demand from the trading segment.

The Group recorded a profit before tax of RM47.15 million in the current financial quarter as compared to the profit before tax of RM68.21 million in the preceding year corresponding quarter. The decrease in profit before tax was mainly due to the lower progress percentage of completion contributed from the current projects which subsequently contribute to a decreased revenue compare to the preceeding year quarter under review.

B2. Material change in profit before taxation of the current quarter compared with the immediate preceding quarter

| | 2nd Quarter ended 30 Jun 2023 RM '000 | 1st Quarter ended 31 Mar 2023 RM '000 | Changes Increase / (Decrease) RM '000 | % |
|----------------------------------|---|---|--|---------|
| Revenue | | | | |
| Property development | 159,976 | 152,353 | 7,623 | 5.0 |
| Construction | 103,829 | 90,716 | 13,113 | 14.5 |
| Trading | 49,050 | 50,830 | (1,780) | (3.5) |
| Investment holding | - | 29,500 | (29,500) | (100.0) |
| <i>Intra-group elimination</i> * | (116,472) | (142,447) | 25,975 | (18.2) |
| Total revenue | 196,383 | 180,952 | 15,431 | 8.5 |
| Profit/(loss) before tax | | | | |
| Property development | 36,996 | 76,322 | (39,326) | (51.5) |
| Construction | 9,406 | 7,853 | (1,553) | (19.8) |
| Trading | 1,660 | 2,128 | (468) | (22.0) |
| Investment holding | (1,824) | 28,528 | (30,352) | (106.4) |
| <i>Intra-group elimination</i> * | 911 | (61,734) | (62,645) | 101.5 |
| Total profit before tax | 47,149 | 53,097 | (5,948) | (11.2) |

* *Intragroup elimination was performed in accordance to Malaysia Financial Reporting Standard ("MFRS") 10 : Consolidated Financial Statement*

For the current financial quarter ended 30 June 2023, the Group's revenue had increased to RM196.38 million as compared to RM181.0 million reported in the immediate preceding quarter. The increase in revenue was mainly due to higher sales conversion and higher completion of project workdone on the newly launched projects compared to the immediate preceeding quarter. Profit before tax from Property Development segment has decreased from RM 76.32 million to RM 37.0 million mainly due to the recognition of an one-off intercompany dividend income amounting to RM29.50 million which was eliminated internally during the immediate preceding quarter.

The increase in construction revenue from RM90.72 million to RM103.83 million for the quarter under review was mainly due to increased in construction activities namely BBSAP Fasa 4A, BBSAP Fasa 4B and Lagenda Tropika.

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B2. Material change in profit before taxation of the current quarter compared with the immediate preceding quarter (Cont'd)

For the current quarter under review, revenue from the Trading segment has decreased by 3.5% to RM49.05 million mainly due to slight decrease in trading activities.

The Group recorded a decrease in profit before tax amounting to RM47.15 million in the current financial quarter as compared to the profit before tax of RM53.10 million in the immediate preceding quarter mainly due to the recognition of a fair value gain on the revaluation of the Group's investment property during the immediate preceding quarter amounting to RM4.78 million while the Group's revenue recorded an increase of 8.5% to RM196.38 million due to increasing contribution from the Property Development segment compared to the immediate preceding quarter.

B3. Commentary on prospects

During the first half of the year, we were transitioning from traditional construction methods to Industrialised Building Systems (IBS) for our newer projects in Teluk Intan and Kedah. This led to a temporarily slower construction pace; hence revenue recognition was lower in comparison to the previous financial year. Demand for our homes continued on a strong trajectory in 2Q 2023 and we recorded confirmed sales of RM507 million in the first half of the year, surpassing last year's achievement by 42%. This surge was primarily driven by booking conversions in Darulaman Lagenda. Revenue visibility for 2023 is further strengthened by unbilled sales amounting to RM811.2 million (+28% YoY), while bookings of RM347.6 million (+12% YoY) provide a solid pipeline for future sales.

There is still a shortage of affordable housing across most states and we expect demand to remain robust in the foreseeable future. Lagenda has a proven track record of delivering landed affordable housing with lifestyle facilities. Our key projects have recorded take-up rates of above 90%, a validation that we have been providing what the market needs.

Affordable housing development goes beyond merely constructing homes. It involves creating sustainable communities that prioritise the environment and well-being of residents. Lagenda was included as a constituent of the FTSE4GOOD Index in June, and we will continue to integrate sustainability elements into our business strategies.

We are confident in our positioning and ability to grow and deliver value over the long term. Our sizable vacant land bank of almost 4,700 acres across five states with an estimated remaining GDV of above RM12 billion provides us with a solid foundation for future growth. We also have a strong balance sheet with low net gearing of 0.05 times, giving us the financial flexibility to pursue strategic initiatives to widen our footprint.

B4. Profit forecast

The Company did not issue any profit forecast during the current financial quarter under review.

B5. Taxation

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------|---|---|---|---|
| | Current Year Quarter 30 Jun 2023 RM '000 | Preceding Year Quarter 30 Jun 2022 RM '000 | Current Year To Date 30 Jun 2023 RM '000 | Preceding Year To Date 30 Jun 2022 RM '000 |
| Deferred tax liabilities | (1,784) | 2,945 | (2,557) | 493 |
| Taxation | (12,332) | (20,794) | (25,352) | (36,473) |
| Tax expenses | (14,116) | (17,849) | (27,909) | (35,980) |
| Effective tax rate | 29.9% | 26.2% | 27.8% | 27.0% |

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes.

B6. Details of Group Borrowings and Debt Securities

The group interest-bearing borrowings as at the end of the reporting period are as follows:

| | Current year 30 Jun 2023 RM'000 | Preceding year 30 Jun 2022 RM'000 |
|---------------------|---------------------------------------|---|
| Current | | |
| Revolving Credits | 153,219 | 70,000 |
| Banker's acceptance | 4,041 | 49,717 |
| Term loans | 33,575 | 25,794 |
| | 190,835 | 145,511 |
| Non-current | | |
| Term loans | 150,904 | 141,377 |
| | 341,739 | 286,888 |

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))
(Incorporated in Malaysia)



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B7. Corporate Proposals

- (a) On 13 February 2023, Lagenda Mersing Sdn Bhd (“LMSB”) a 70% owned subsidiary of LPB Development Sdn. Bhd., which in turn a wholly-owned subsidiary of LPB, had entered into a conditional sales and purchase agreement with Seriemas Development Sdn. Bhd. (“SDSB”) for the acquisition by LMSB of 2 parcels of freehold land located in Kelan Kechil, Mukim Senai, Daerah Kulai, Negeri Johor measuring approximately 1,075.48 acres for a total cash consideration of RM398,207,224.80 (“Proposed Acquisition 2”). Proposed Acquisition 2 is currently conditional and expected to be completed before the 2nd quarter of 2024.

On 10 April 2023, on behalf of the Board of Directors of LPB, UOB Kay Hian Securities (M) Sdn Bhd being the principal advisor had announced that a plot of land measuring 4.994 acres is not owned by SDSB after conducting a land survey. As a result thereof, LMSB had, on 7 March 2023, submitted the land survey findings to the SDSB and requested for concurrence from SDSB on the exclusion of the third party property from the final size of the subject lands. On 29 March 2023, the Vendor concurred on the exclusion of the 3rd party property. Therefore the revised land size shall be adjusted to 1,070.49 acres and the revised purchase consideration of Proposed Acquisition 2 will be RM396,358,146.36 and it is subject to further confirmation by the Vendor which will be given upon the unconditional date of the sales and purchase agreement.

- (b) On 10 August 2023, mutually agreed to extend the Conditional Period of the SPA up to 13 November 2023 with the aim to accord the Parties an additional period of 3 months to fulfil the Conditions Precedent.

B8. Financial instruments

There was no outstanding financial instruments as at the date of issue of this quarterly report.

B9. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report.

B10. Dividend

- (a) A single-tier first interim dividend of 3.0 sen (2022 single-tier second interim dividend: 3.5 sen) per ordinary share amounting to RM 25,119,815 (2022 single-tier second interim dividend: RM 29,306,451) has been declared by the Directors in respect of the financial year ended 31 December 2023.
- (b) The interim single-tier dividend shall be payable on 25 September 2023.
- (c) In respect of deposited securities, entitlement to dividend will be determined based on the record of depositors as of 15 September 2023.

B11. Earnings per share

(i) Basic Earnings Per Share

The basic earnings per ordinary share were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

| | Current Year 30 Jun 2023 Quarter | Preceding Year 30 Jun 2022 Quarter | Current Year 30 Jun 2023 To Date | Preceding Year 30 Jun 2022 To Date |
|---|--|--|--|--|
| Profit net of tax attributable to owners of the parent (RM'000) | <u>33,188</u> | <u>50,383</u> | <u>72,523</u> | <u>97,390</u> |
| Basic Weighted average number of ordinary share in issue ('000) | <u>837,327</u> | <u>836,040</u> | <u>837,327</u> | <u>836,040</u> |
| Basic earning per share (EPS) (sen) | <u>3.96</u> | <u>6.03</u> | <u>8.66</u> | <u>11.65</u> |

LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))
(Incorporated in Malaysia)



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

B11. Earnings per share (Cont'd)

(ii) Diluted Earning Per Shares

The diluted earnings per ordinary shares were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

| | Current Year 30 Jun 2023 Quarter | Preceding Year 30 Jun 2022 Quarter | Current Year 30 Jun 2023 To Date | Preceding Year 30 Jun 2022 To Date |
|--|--|--|--|--|
| Profit net of tax attributable to owners of the parent (RM'000) | <u>33,188</u> | <u>50,383</u> | <u>72,523</u> | <u>97,390</u> |
| Weighted average number of ordinary share in issue ('000) | <u>972,036</u> | <u>1,015,227</u> | <u>972,036</u> | <u>1,015,227</u> |
| Diluted earning per share (EPS) (sen) | <u>3.41</u> | <u>4.96</u> | <u>7.46</u> | <u>9.59</u> |

B12. Notes to the Statement of Comprehensive Income

| | Current Quarter 30 Jun 2023 RM '000 | Preceding Year Quarter 30 Jun 2022 RM '000 |
|--|---|---|
| Accretion of interest income on deferred other receivables | 4 | 219 |
| Gain on disposal of property, plant and equipment | 9 | - |
| Interest income | 1,286 | 557 |
| Rental income | 624 | 706 |
| Auditors' remuneration | (102) | (84) |
| Depreciation of property, plant and equipment | (1,239) | (814) |
| Employee share-based payment | (328) | (877) |
| Interest expenses on: | | |
| - accretion of interest on contingent consideration | - | (46) |
| - banker's acceptance | (12) | (134) |
| - bank guarantee commission | (23) | (24) |
| - lease liabilities | (127) | (78) |
| - term loan | (5,207) | (2,830) |
| Loss on remeasurement of lease liabilities | <u>-</u> | <u>(268)</u> |

B13. Auditors' Report on the Preceding Annual Financial Statements

There was no qualification in the audit report on the preceding audited annual financial statements.

B14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company on 21 August 2023.