



LBS BINA GROUP BERHAD
(518482-H)
(Incorporated in Malaysia)

Interim Financial Report

30 June 2012

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

- For the financial period ended 30 June 2012

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter	Preceding Year Quarter	Current Year To date	Preceding Year To date
		30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Revenue		127,851	100,585	239,420	177,046
Cost of sales		(86,508)	(66,997)	(163,924)	(108,683)
Gross profit		41,343	33,588	75,496	68,363
Interest Income		453	390	935	914
Other operating income		1,528	1,376	2,895	2,169
Operating expenses		(18,684)	(16,785)	(36,565)	(34,340)
Finance costs		(4,242)	(3,836)	(8,685)	(7,428)
Share of results of associates		(85)	(78)	(98)	(206)
Profit before taxation		20,313	14,655	33,978	29,472
Taxation	B5	(6,742)	(3,631)	(11,804)	(7,396)
Profit for the period		13,571	11,024	22,174	22,076
Attributable to: -					
Owners of the Parent		13,210	10,113	19,497	19,571
Non-controlling interests		361	911	2,677	2,505
		13,571	11,024	22,174	22,076

Earnings per share attributable to Owners of the Parent

-Basic (sen)	B10	3.43	2.61	5.06	5.06
-Diluted (sen)	B10	3.43	2.61	5.06	5.06

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 30 June 2012 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2012 RM'000	Preceding Year Quarter 30.06.2011 RM'000	Current Year To date 30.06.2012 RM'000	Preceding Year To date 30.06.2011 RM'000
Profit for the period	13,571	11,024	22,174	22,076
Other comprehensive income, net of tax:				
Foreign currency translation difference	9,529	3,094	2,678	1,066
Total comprehensive income for the period	<u>23,100</u>	<u>14,118</u>	<u>24,852</u>	<u>23,142</u>
Total comprehensive income attributable to:				
Owners of the Parent	20,594	11,885	21,421	19,519
Non-controlling interests	2,506	2,233	3,431	3,623
	<u>23,100</u>	<u>14,118</u>	<u>24,852</u>	<u>23,142</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As at 30 June 2012

	Note	30.06.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	212,253	214,116
Capital work-in-progress		14,127	6,745
Investment properties		6,509	5,251
Land and property development costs		498,808	484,575
Investment in associated companies		2,818	2,586
Trade and other receivables		45,890	45,791
Other investments		1,254	1,254
Goodwill on consolidation		116,997	120,488
		898,656	880,806
Current Assets			
Inventories		14,705	17,850
Land and property development costs		59,537	70,518
Accrued billing in respect of property development costs		156,802	140,391
Trade and other receivables		198,756	222,639
Tax recoverable		4,577	5,450
Fixed deposits with licensed banks		45,104	28,900
Cash held under Housing Development Accounts		28,221	37,664
Cash and bank balances		44,698	65,269
		552,400	588,681
TOTAL ASSETS		1,451,056	1,469,487
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Parent			
Share capital		386,553	386,553
Reserves		57,552	35,983
Treasury shares, at cost		(2,611)	-
		441,494	422,536
Non-controlling Interests		85,975	84,015
Total Equity		527,469	506,551

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 30 June 2012 (cont'd)

	Note	30.06.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
Non-Current Liabilities			
Trade and other payables		58,195	92,393
Hire purchase payables	B7	2,634	2,168
Bank borrowings	B7	189,756	245,269
Islamic Securities	B7	135,000	135,000
Deferred tax liabilities		74,897	77,770
		460,482	552,600
Current Liabilities			
Progress billing in respect of property development costs		33,133	18,387
Trade and other payables		247,523	254,129
Hire purchase payables	B7	950	844
Bank overdrafts	B7	36,772	39,846
Bank borrowings	B7	105,434	56,486
Tax payable		39,293	40,644
		463,105	410,336
Total Liabilities		923,587	962,936
TOTAL EQUITY AND LIABILITIES		1,451,056	1,469,487
Net Assets per share attributable to Owners of the Parent (RM)		1.14	1.09

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 30 June 2012

	Attributable to Owners of the Parent								<-Distributable->		Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable											
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Sub-total RM'000		
Balance as at 1.1.2012	386,553	-	16,945	561	16,016	363	14,952	(49,453)	36,599	422,536	84,014	506,550
Amount recognised directly in equity:												
Profit for the period	-	-	-	-	-	-	-	-	19,497	19,497	2,677	22,174
Foreign currency translation	-	-	-	-	1,851	-	-	-	-	1,851	827	2,678
Dilution on investment in subsidiary	-	-	-	-	-	-	-	-	73	73	(73)	-
Total comprehensive income for the period	-	-	-	-	1,851	-	-	-	19,570	21,421	3,431	24,852
Realisation of subsidiary's reserve	-	-	-	-	-	(39)	-	-	39	-	-	-
Dividend paid / payable	-	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Share-based payment under ESOS	-	-	-	148	-	-	-	-	-	148	-	148
Share buy-back	-	(2,611)	-	-	-	-	-	-	-	(2,611)	-	(2,611)
Balance as at 30.06.2012	386,553	(2,611)	16,945	709	17,867	324	14,952	(49,453)	56,208	441,494	85,975	527,469
Balance as at 1.1.2011	386,553	-	16,945	338	3,928	490	14,952	-	2,171	425,377	106,935	532,312
Total comprehensive income for the period	-	-	-	-	(52)	-	-	-	19,571	19,519	3,623	23,142
Dividend paid / payable	-	-	-	-	-	-	-	-	-	-	(1,078)	(1,078)
Realisation of subsidiary's reserve	-	-	-	-	-	(490)	-	-	490	-	-	-
Acquisition of additional investment from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,171)	(27,171)
Premium paid for acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	(45,075)	-	(45,075)	-	(45,075)
Share-based payment under ESOS	-	-	-	77	-	-	-	-	-	77	-	77
Balance as at 30.06.2011	386,553	-	16,945	415	3,876	-	14,952	(45,075)	22,232	399,898	82,309	482,207

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)****- For the financial period ended 30 June 2012**

	Current Period Ended 30.06.2012 RM'000	Preceding Period Ended 30.06.2011 RM'000
Profit before taxation	33,978	29,472
Adjustments for :-		
Non-cash items	10,002	9,248
Other operating items	7,847	6,763
Operating profit before changes in working capital	<u>51,827</u>	<u>45,483</u>
Changes in land and property development costs	4,538	(8,016)
Changes in inventories	3,148	747
Changes in gross amount due from / to customers	(1,287)	(1,487)
Changes in receivables	(4,931)	(34,826)
Changes in payables	680	(8,534)
Changes in accrued / progress billing in respect of property development costs	(1,666)	18,892
Changes in foreign exchange reserve	1,311	912
Cash generated from operations	<u>53,620</u>	<u>13,171</u>
Interest received	935	871
Interest paid	(16,432)	(10,942)
Tax paid	(17,008)	(8,202)
Tax refund	11	3
Net cash generated from / (used in) operating activities	<u>21,126</u>	<u>(5,099)</u>
Investing Activities		
Purchase of property, plant and equipment	(2,479)	(2,444)
Proceeds from disposal of property, plant and equipment	540	110
Proceeds from disposal of investment properties	-	164
Proceeds from disposal of associated company	-	150
Net cash flow from disposal of subsidiary company	-	20
Purchase of investment property	(1,322)	-
Investment in associated and subsidiary companies	(10,047)	(600)
Capital work-in-progress incurred	(7,316)	(362)
Net cash used in investing activities	<u>(20,624)</u>	<u>(2,962)</u>
Financing Activities		
Increase in fixed deposit pledged	(16,202)	(11,275)
Decrease in cash and bank balances pledged	5,483	13,863
Drawdown of bank borrowings	77,140	19,799
Repayment of bank borrowings	(83,782)	(17,685)
Proceeds from issuance of Islamic Securities	-	20,000
Repayment of hire purchase payables	(636)	(498)
Purchase of treasury shares	(2,611)	-
Dividend paid to non-controlling interest	(1,470)	(1,078)
Net cash (used in) / generated from financing activities	<u>(22,078)</u>	<u>23,126</u>
Net (decrease) / increase in cash and cash equivalents	(21,576)	15,065
Cash and cash equivalents at the beginning of financial period	55,182	(22,926)
Effect of exchange rate changes	119	(607)
Cash and cash equivalents at the end of financial period	<u>33,725</u>	<u>(8,468)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
- For the financial period ended 30 June 2012 (cont'd)

Cash and cash equivalents comprise: -

	Current Period Ended 30.06.2012 RM'000	Preceding Period Ended 30.06.2011 RM'000
Deposits with licensed banks	45,104	15,325
Cash held under Housing Development Accounts	28,221	14,005
Cash and bank balances	44,698	43,200
Bank overdrafts	(36,772)	(48,536)
	<hr/> 81,251	<hr/> 23,994
Less : Fixed deposits pledged with licensed banks	(45,104)	(14,984)
Cash and bank balances pledged	(2,422)	(17,478)
	<hr/> 33,725	<hr/> (8,468)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011. The explanatory notes attached to the interim financial report 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 since the financial year ended 31 December 2011.

A2. Changes in accounting policies

Basis of accounting

The financial statements of the Group have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

During the financial period, the Group and the Company have adopted the following new Financial Reporting Standards (“FRSs”), revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs, issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement
FRS 124	Related Party Disclosures (revised)
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosures – Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 9 (IFRS 9 as issued by IASB in November 2009), FRS 9 (IFRS 9 as issued by IASB in October 2010) and FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures

The Group and the Company have not early adopted the following FRSs, IC Interpretations and amendments to FRSs, which have been issued as at the date of authorisation of this financial statements and will be effective for the financial periods as stated below:-

		Effective date for financial periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013

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A2. Changes in accounting policies (cont'd)

		<u>Effective date for financial periods beginning on or after</u>
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 (IFRS 9 as issued by IASB in November 2009)	Financial Instruments	1 January 2015*
FRS 9 (IFRS 9 as issued by IASB in October 2010)	Financial Instruments	1 January 2015*

* Original effective date of 1 January 2013 deferred to 1 January 2015 via amendments issued by MASB on 1 March 2012.

The above new FRSs, revised FRSs, IC Interpretations and amendments to FRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the initial applications of these Standards and IC Interpretations will have no significant impact on the financial statements of the Group and of the Company, except as discussed below:

(i) FRS 124 Related Party Disclosures

The revised FRS 124 simplify the definition of a related party, clarifies its intended meaning and eliminates inconsistencies from the definition and gives partial exemption from disclosure for government-related entities. These changes affect disclosures in the financial statements and did not have any impact on the financial results of the Group and of the Company.

(ii) Amendments to FRS 112 Deferred Tax : Recovery of Underlying Assets

This amendment supersedes and introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. FRS 112 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in existing FRS 140 Investment property. As a result of the amendments, IC Interpretation 121 Income Taxes – recovery of Revalued Non-depreciable assets will be superseded and its guidance will be incorporated into FRS 112.

(iii) Amendments to FRS 1 First-time Adoption on Fixed Dates and Hyperinflation

This amendment includes two changes to FRS 1. The first replaces references to a fixed date of “1 January 2006” with ‘the date of transition to FRSs’, thus eliminating the need for entities adopting FRSs for the first time to restate de-recognition transactions that occurred before the date of transition to FRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with FRSs after a period when the entity was unable to comply with FRSs because its functional currency was subject to severe hyperinflation.

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A2. Changes in accounting policies (cont'd)

- (iv) Amendments to FRS 7 Disclosures – Transfers of Financial Assets

The amendment enhances the transparency in the reporting of transfer transactions and improves users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

- (v) Amendments to FRS7 Disclosures – Offsetting Financial Assets and Financial Liabilities and Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

The amendment requires financial assets and financial liabilities to be offset and present the net amount in the statement of financial position, only if the entity has an unconditional and legally enforceable right to set off the financial asset and financial liability, and it intends either to settle the financial asset and financial liability net or to realise the financial asset and settle the financial liability simultaneously.

- (vi) FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009) and FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

FRS 9 (IFRS 9 issued by IASB in November 2009) specifies how an entity should classify and measure financial assets. This standard replaces the multiple classification and measurement models in FRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

FRS 9 (IFRS 9 issued by IASB in October 2010) specifies the requirements for the classification and measurement of financial liabilities, which are generally similar to the requirements of the existing FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in Other Comprehensive Income ("OCI") There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in FRS 139 on impairment of financial assets and hedge accounting continues to apply.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC Interpretation 15"), including its parent, significant investor and venture (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Company is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting the Company's first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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A2. Changes in accounting policies (cont'd)

However on 31 July 2012, MASB has issued a notice on amendment to the effective date and applicability of the Malaysian Financial Reporting Standards (MFRS Framework) whereby MASB has further extended the transitional period for Transitioning Entities to 1 January 2014. The entity will continue to apply Financial Reporting Standards (FRSs) as its financial reporting framework and adoption of MFRS Framework will become mandatory for annual periods beginning before 1 January 2014.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

A4. Seasonal or cyclical factors

The operations of the Group during the quarter under review were not materially affected by any significant seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

A6. Material changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods or prior year that have a material effect in the current quarter's results.

A7. Debt and equity securities

Shares repurchased during the current financial period were as follows:-

Month of Purchase	Number of shares	Highest price RM	Lowest price RM	Cost RM
February 2012	250,000	0.795	0.775	198,405
March 2012	460,000	0.815	0.770	366,912
April 2012	1,695,000	0.885	0.785	1,430,459
May 2012	571,500	0.835	0.790	463,194
June 2012	190,200	0.800	0.790	152,083
As at 30 June 2012	<u>3,166,700</u>			<u>2,611,053</u>

Other than the above, there were no other issuances, repurchases, cancellations, resale and repayments of debts and equity securities during the current financial period.

A8. Dividends paid

There was no dividend paid during the quarter under review.

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A9. Segment information

6 months ended 30 June 2012

	Property Development RM'000	Construction RM'000	Golf Course & Club House RM'000	Management, Investment & Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External revenue	225,368	2,002	10,049	2,001	-	239,420
Inter-segment	-	102,153	-	26,474	(128,627)	-
Total Revenue	225,368	104,155	10,049	28,475	(128,627)	239,420
RESULTS						
Segment results	45,855	661	(3,183)	(1,507)	-	41,826
Interest income	636	22	48	229	-	935
Finance costs	(4,926)	(147)	-	(3,612)	-	(8,685)
Share of results of associates	-	-	-	(98)	-	(98)
Profit / (loss) before taxation	41,565	536	(3,135)	(4,988)	-	33,978
Taxation	(12,141)	(161)	570	(72)	-	(11,804)
Profit/ (loss) for the period	29,424	375	(2,565)	(5,060)	-	22,174
Assets						
Additional to non-current assets	24,255	5,901	2,167	-	-	32,323
Segment assets	1,107,655	35,274	229,412	78,715	-	1,451,056
Other non-cash expenses						
Depreciation	1,354	32	5,650	9	-	7,045
Property, plant and equipment written off	3	2	69	-	-	74
Bad debts written off	3,603	70	50	-	-	3,723
Investment property written off	-	365	-	-	-	365
Unrealised loss on foreign exchange	-	-	10	-	-	10
Impairment on goodwill in subsidiary company	3,500	-	-	-	-	3,500
Impairment on receivables	-	-	-	40	-	40
Impairment on foreseeable loss on construction contract	-	10	-	-	-	10
Share-based payment	-	-	-	148	-	148
Other non-cash income						
Unrealised gain on foreign exchange	(84)	-	-	(95)	-	(179)
Gain on disposal of property, plant and equipment	(182)	(49)	(7)	-	-	(238)
Reversal of Impairment on receivables	(3,730)	-	-	-	-	(3,730)
Reversal of Impairment on investment property	-	(365)	-	-	-	(365)
Waiver of debts	(98)	-	(303)	-	-	(401)

6 months ended 30 June 2011

REVENUE						
External revenue	159,198	6,236	11,489	123	-	177,046
Inter-segment	-	48,597	-	26,217	(74,814)	-
Total Revenue	159,198	54,833	11,489	26,340	(74,814)	177,046
RESULTS						
Segment results	40,611	(697)	(1,499)	(2,223)	-	36,192
Interest income	634	11	109	160	-	914
Finance costs	(3,351)	(7)	-	(4,070)	-	(7,428)
Share of results of associates	-	-	-	(206)	-	(206)
Profit / (loss) before taxation	37,894	(693)	(1,390)	(6,339)	-	29,472
Taxation	(7,847)	(46)	497	-	-	(7,396)
Profit/ (loss) for the period	30,047	(739)	(893)	(6,339)	-	22,076

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A9. Segment information (cont'd)

6 months ended 30 June 2011 (cont'd)

	Property Development RM'000	Construction RM'000	Golf Course & Club House RM'000	Management, Investment & Others RM'000	Elimination RM'000	Consolidated RM'000
Assets						
Additional to non-current assets	21,111	3,514	652	458	-	25,735
Segment assets	1,068,862	21,715	217,592	46,281	-	1,354,450
Other non-cash expenses						
Depreciation	798	410	5,384	-	-	6,592
Unrealised loss on foreign exchange	-	-	-	376	-	376
Impairment on receivables	-	-	-	4	-	4
Property, plant and equipment written off	-	-	-	1	-	1
Loss on disposal of property, plant and equipment	7	-	-	-	-	7
Impairment on goodwill in subsidiary companies	3,008	-	-	-	-	3,008
Share-based payment	-	-	-	77	-	77
Other non-cash income						
Gain on disposal of investment property	-	-	-	(5)	-	(5)
Gain on disposal of property, plant and equipment	(63)	-	-	-	-	(63)
Gain on disposal of associate	-	-	-	(150)	-	(150)
Gain on disposal of subsidiaries	-	-	-	(11)	-	(11)
Impairment of other receivables written back	(5)	-	-	-	-	(5)
Unrealised gain on foreign exchange	(65)	-	-	(518)	-	(583)
Waiver of debts	-	-	-	(10)	-	(10)

A10. Valuation of property, plant and equipment

There was no fair value adjustment to the property, plant and equipment since the last annual financial statements.

A11. Changes in the composition of the Group

- (i) On 8 May 2012, Cergas Asal (M) Sdn Bhd ("CASB"), a wholly-owned subsidiary of LBS Bina Holdings Sdn Bhd ("LBS") has increased its paid up share capital from 2,500,100 to 5,000,000 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in CASB by way of capitalisation.
- (ii) On 9 May 2012, LBS has acquired 200,000 ordinary shares of RM1.00 each representing 40% equity interest in Tarikan Puncak Sdn Bhd ("TPSB"), a company incorporated in Malaysia for a total cash consideration of RM200,000 only. Consequently, TPSB became an associated company of LBS.

Other than the above, there were no changes in the composition of the Group during the quarter under review.

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A12. Material subsequent events

On 1 August 2012, the Company has made an early redemption by redeeming and cancelling its entire Tranche 4 of the Sukuk Programme with a nominal value of RM20.0 million ("Early Redemption"). The Tranche 4 is part of the RM135.0 million Sukuk Programme which is duly guaranteed by Danajamin Nasional Berhad.

The redemption was 348 days ahead of its maturity date of 15 July 2013 and had contributed to a cost saving of about RM860,000.00 thus giving a positive effect to the Company's earnings.

Other than above, there were no material subsequent events as at 22 August 2012, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

There were no capital commitments as at the date of this interim financial report.

A14. Changes in contingent assets or contingent liabilities

	30.06.2012 RM'000	30.06.2011 RM'000
Bank guarantee issued for property development	<u>9,561</u>	<u>8,485</u>

There were no contingent assets as at the date of this interim financial report.

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A15. Significant related party transactions

The significant related party transactions for the current financial period were summarised as below:-

Related Parties	Amount RM'000
Contractor fees	2,708
Sale of properties	33,231
Provision of services as advocates and solicitors	74
Rental expenses	48
Rendering of services	28
Management fees expenses	105
Rental income	4

These transactions have been entered into in the ordinary course of business based on normal commercial terms and arms length basis.

The nature and relationship between the Group and the related parties are as follows:-

- (i) A firm or companies in which a close family member of certain Directors of the Company or a subsidiary company have financial interest;
- (ii) A firm or companies in which certain Directors of the Company or its subsidiaries have financial interest;
- (iii) A person who has financial interest in a subsidiary company; and
- (iv) Directors and key management personnel of the Company and their close family members.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of performance

For the three months ended 30 June 2012, the Group recorded revenue and profit before tax ("PBT") of approximately RM128 million and RM20 million respectively. These represent a 27% increase in revenue and 39% increase in PBT over the results achieved in the corresponding period in year 2011.

For the financial period ended 30 June 2012, the Group recorded revenue and PBT of approximately RM239 million and RM34 million respectively. These represent a 35% increase in revenue and 15% increase in PBT over the results recorded in the preceding year.

The improved revenue and PBT for the current quarter and period to date are attributable to progressive recognition of revenue and profit contribution from its ongoing projects with good take up rates such as, *D' Island Residence and The Lake Residence* in Puchong, *Topaz III & IV, Ivory Residences II, Indigo Homes, Magenta Homes, Camelia Cottage, Pearl Villa, Royal Ivory and I Hub Puchong* in Bandar Saujana Putra ("BSP") as well as other commercial and industrial projects such as *Taman Perindustrian Tasik Perdana ("TPTP")* in Puchong and *Saujana Business Park* in BSP.

There was no further detailed analysis of performance for other segments, as the Group is mainly involved in property development.

B2. Material change in quarterly results compared with the immediate preceding quarter

The Group's current quarter revenue and PBT were approximately RM128 million and RM20 million respectively as compared to revenue and PBT of approximately RM112 million and RM14 million respectively over the immediate preceding quarter.

The improved revenue and PBT are attributable to higher progressive recognition of revenue and profit contribution from its ongoing projects.

B3. Prospects for the current financial year

The Board is pleased to report that as at 28 August 2012, the Group has achieved sales of approximately RM600 million.

With the Group's 19 ongoing projects and unbilled sales of approximately RM748 million as at 31 July 2012, the Group is confident of achieving further improvement in its performance for the financial year ending 31 December 2012.

B4. Profit forecast or profit guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee to the public.

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B5. Taxation

	Individual Quarter		Cumulative Period	
	Current year Quarter 30.06.2012 RM'000	Preceding year Quarter 30.06.2011 RM'000	Current year To date 30.06.2012 RM'000	Preceding year To date 30.06.2011 RM'000
Current year's provision	7,766	4,504	15,010	8,556
Under / (Over) provision	3	(226)	3	(226)
Deferred taxation	(1,027)	(647)	(3,209)	(934)
Total	6,742	3,631	11,804	7,396

The effective tax rate of the Group for the current quarter and financial period to date is higher than the statutory tax rate of 25% mainly due to losses of certain subsidiaries which cannot set off against taxable profits made by other subsidiaries, non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.

B6. Status of corporate proposals announced but not completed

The following is the status of corporate proposal that has been announced by the Company but not completed as at 22 August 2012, the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :-

On 18 April 2012, the Company has proposed disposal of up to 100% but not less than 60% equity interest in Dragon Hill Corporation Limited ("**Dragon Hill**"), a wholly-owned subsidiary of Intellplace Holdings Limited, which in turn is a wholly-owned subsidiary of LBGB to Jiuzhou Technology Company Limited ("**JDX**"), a wholly-owned subsidiary of Jiuzhou Development Company Limited ("**JDCL**") for an indicative price of not more than HK\$1.65 billion for the sale of the entire interest in Dragon Hill and all shareholders' loans to JDX to be agreed upon (subject to the terms and conditions of a definitive agreement to be entered) and settled in the form and combination of cash, equity shares of JDCL, convertible securities and/or other means, the proportion of which shall be mutually agreed upon, which will be set out in the definitive agreement to be entered, upon satisfaction of the due diligence review undertaken by both parties and negotiation on the terms of the said transaction.

There is no major new development to the above proposed disposal.

B7. Borrowings and debts securities

Total group borrowings as at 30 June 2012 were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Hire purchase payables	950	-	950
Bank overdrafts	36,772	-	36,772
Bank borrowings	105,434	-	105,434
Short term borrowings	143,156	-	143,156
Hire purchase payables	2,634	-	2,634
Bank borrowings	189,756	-	189,756
Islamic commercial papers / Islamic medium term notes	135,000	-	135,000
Long term borrowings	327,390	-	327,390
Total borrowings	470,546	-	470,546

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B7. Borrowings and debts securities (cont'd)

Currency exposure profiles of borrowings were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	456,176	-	456,176
United Stated Dollar	14,370	-	14,370
	<u>470,546</u>	<u>-</u>	<u>470,546</u>

B8. Changes in material litigation

There was no material litigation as at 22 August 2012, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B9. Dividend proposed

No dividend has been proposed for the second quarter ended 30 June 2012.

In respect of the previous financial year ended 31 December 2011:-

- (i) At the Annual General Meeting held on 28 June 2012, the shareholders of the Company approved the first and final dividend of 2.5 sen per ordinary share of RM1.00 each, less income tax of 25% in respect of the financial year ended 31 December 2011.
- (ii) EX-date, entitlement date and payment date of the dividend are on 28 August 2012, 30 August 2012 and 27 September 2012 respectively.

B10. Earnings per share ("EPS")

Basic EPS

The calculation of the basic earnings per share is based on the profit attributable to the Owners of the Parent and divided by the weighted average number of ordinary shares in issue:-

	Current period 30.06.2012	Preceding period 30.06.2011
Profit attributable to Owners of the Parent (RM'000)	<u>19,497</u>	<u>19,571</u>
No of ordinary shares in issued ('000)	386,553	386,553
Less: weighted average treasury shares ('000)	<u>(1,278)</u>	<u>-</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>385,275</u>	<u>386,553</u>
Basic EPS (sen)	<u>5.06</u>	<u>5.06</u>

Note: The number of shares under ESOS and Warrants was not taken into account in the computation of diluted earnings per share because the effect on the basic earnings per share is antidilutive.

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B11. Notes to the Statement of Comprehensive Income

	Current quarter 30.06.2012 RM'000	Current Year to date 30.06.2012 RM'000
Depreciation	(3,560)	(7,045)
Bad debts written off	(1)	(3,723)
Reversal of impairment on receivables	-	3,730
Investment property written off	-	(365)
Reversal of impairment on investment property	-	365
Impairment of goodwill on consolidation	(1,800)	(3,500)
Impairment on receivables	(40)	(40)
Impairment on foreseeable loss on construction contract	(10)	(10)
Property, plant and equipment written off	(71)	(74)
Gain on disposal of property, plant and equipment	209	238
Waiver of debts	4	401
Share-based payment	(74)	(148)
Unrealised gain on foreign exchange	52	169

B12. Realised and unrealised profits / (losses)

	Unaudited 30.06.2012 RM '000	Audited 31.12.2011 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:-		
- Realised	205,097	170,133
- Unrealised	(18,975)	(16,616)
	<u>186,122</u>	<u>153,517</u>
Total share of accumulated losses from associated companies		
- Realised	(559)	(603)
- Unrealised	-	-
	<u>185,563</u>	<u>152,914</u>
Less : Consolidation adjustments	(129,355)	(116,315)
Total Group retained profits as per consolidated accounts	<u>56,208</u>	<u>36,599</u>

The disclosure of realised and unrealised profits / (losses) above is solely for compliance with the directive issue by the Bursa Malaysia and should not be used for any other purpose.

By Order of the Board,

Cynthia Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
29 August 2012