



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

Interim Financial Report

30 September 2012

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
- For the financial period ended 30 September 2012

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter	Preceding Year Quarter	Current Year To date	Preceding Year To date
		30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Revenue		152,910	125,014	392,330	302,060
Cost of sales		(106,242)	(88,630)	(270,167)	(197,313)
Gross profit		46,668	36,384	122,163	104,747
Interest Income		714	350	1,649	1,264
Other operating income		2,093	1,128	4,988	3,297
Operating expenses		(26,070)	(17,856)	(62,635)	(52,196)
Finance costs		(4,267)	(3,732)	(12,951)	(11,160)
Share of results of associates		(3)	(1)	(101)	(207)
Profit before taxation		19,135	16,273	53,113	45,745
Taxation	B5	(8,090)	(8,344)	(19,894)	(15,740)
Profit for the period		11,045	7,929	33,219	30,005
Attributable to: -					
Owners of the Parent		10,328	8,133	29,825	27,704
Non-controlling interests		717	(204)	3,394	2,301
		11,045	7,929	33,219	30,005

Earnings per share attributable to Owners of the Parent

-Basic (sen)	B10	2.68	2.10	7.77	7.17
-Diluted (sen)	B10	2.68	2.10	7.77	7.17

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.

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**
- For the financial period ended 30 September 2012 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2012 RM'000	Preceding Year Quarter 30.09.2011 RM'000	Current Year To date 30.09.2012 RM'000	Preceding Year To date 30.09.2011 RM'000
Profit for the period	11,045	7,929	33,219	30,005
Other comprehensive income, net of tax:				
Foreign currency translation difference	(10,422)	17,215	(7,744)	18,281
Total comprehensive income for the period	<u>623</u>	<u>25,144</u>	<u>25,475</u>	<u>48,286</u>
Total comprehensive income attributable to:				
Owners of the Parent	2,413	20,722	23,834	40,241
Non-controlling interests	(1,790)	4,422	1,641	8,045
	<u>623</u>	<u>25,144</u>	<u>25,475</u>	<u>48,286</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 September 2012

	Note	30.09.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	202,861	214,116
Capital work-in-progress		14,684	6,745
Investment properties		6,479	5,251
Land and property development costs		501,773	484,575
Investment in associated companies		2,552	2,586
Trade and other receivables		42,054	45,791
Other investments		1,254	1,254
Goodwill on consolidation		124,862	120,488
		896,519	880,806
Current Assets			
Inventories		14,584	17,850
Land and property development costs		61,085	70,518
Accrued billing in respect of property development costs		127,073	140,391
Trade and other receivables		227,336	222,639
Tax recoverable		7,267	5,450
Fixed deposits with licensed banks		58,877	28,900
Cash held under Housing Development Accounts		28,057	37,664
Cash and bank balances		35,977	65,269
		560,256	588,681
TOTAL ASSETS		1,456,775	1,469,487
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Parent			
Share capital		386,553	386,553
Reserves		55,415	35,983
Treasury shares, at cost		(4,398)	-
		437,570	422,536
Non-controlling Interests		83,925	84,015
Total Equity		521,495	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 September 2012 (cont'd)

	Note	30.09.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
Non-Current Liabilities			
Trade and other payables		54,382	92,393
Hire purchase payables	B7	2,520	2,168
Bank borrowings	B7	211,355	245,269
Islamic Securities	B7	95,000	135,000
Deferred tax liabilities		72,480	77,770
		435,737	552,600
Current Liabilities			
Progress billing in respect of property development costs		36,047	18,387
Trade and other payables		272,582	254,129
Hire purchase payables	B7	970	844
Bank overdrafts	B7	34,675	39,846
Bank borrowings	B7	91,704	56,486
Islamic Securities	B7	20,000	-
Tax payable		43,565	40,644
		499,543	410,336
Total Liabilities		935,280	962,936
TOTAL EQUITY AND LIABILITIES		1,456,775	1,469,487
Net Assets per share attributable to Owners of the Parent (RM)		1.13	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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 30 September 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	-	-	-	-	-	-	-	-	29,825	29,825	3,394	33,219
Foreign currency translation	-	-	-	-	(6,064)	-	-	-	-	(6,064)	(1,680)	(7,744)
Dilution on investment in subsidiary	-	-	-	-	-	-	-	-	73	73	(73)	-
Total comprehensive income for the period	-	-	-	-	(6,064)	-	-	-	29,898	23,834	1,641	25,475
Transactions with owners:												
Realisation of subsidiary's reserve	-	-	-	-	-	(40)	-	-	40	-	-	-
Realisation of ESOS's reserve	-	-	-	(561)	-	-	-	-	561	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	10	-	10	-	10
Dividend paid for the financial year ended 31.12.2011	-	-	-	-	-	-	-	-	(7,148)	(7,148)	-	(7,148)
Share-based payment under ESOS	-	-	-	2,736	-	-	-	-	-	2,736	-	2,736
Share buy-back	-	(4,398)	-	-	-	-	-	-	-	(4,398)	-	(4,398)
Total transactions with owners	-	(4,398)	-	2,175	-	(40)	-	10	(6,547)	(8,800)	-	(8,800)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Acquisition of additional interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	(260)	(260)
Balance as at 30.09.2012	386,553	(4,398)	16,945	2,736	9,952	323	14,952	(49,443)	59,950	437,570	83,925	521,495

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (cont'd)
 ~ For the financial period ended 30 September 2012

	←----- Attributable to Owners of the Parent -----→										Non-controlling Interests RM'000	Total Equity RM'000
	<----- Non-distributable ----->					<-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 1.1.2011	386,553	-	16,945	338	3,928	490	14,952	-	2,171	425,377	106,935	532,312
Amount recognised directly in equity:												
Profit for the period	-	-	-	-	-	-	-	-	27,704	27,704	2,301	30,005
Foreign currency translation	-	-	-	-	12,537	-	-	-	-	12,537	5,744	18,281
Total comprehensive income for the period	-	-	-	-	12,537	-	-	-	27,704	40,241	8,045	17,895
Transactions with owners:												
Realisation of subsidiary's reserve	-	-	-	-	-	(490)	-	-	490	-	-	-
Premium paid for acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(46,955)	-	-	(46,955)	-	(46,955)
Share-based payment under ESOS	-	-	-	115	-	-	-	-	-	115	-	115
Total transactions with owners	-	-	-	115	-	(490)	(46,955)	-	490	(46,840)	-	(46,840)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,078)	(1,078)
Acquisition of additional investment from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(30,391)	(30,391)
Balance as at 30.09.2011	386,553	-	16,945	453	16,465	-	14,952	(46,955)	30,365	418,778	83,511	502,289

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 September 2012

	Current Period Ended 30.09.2012 RM'000	Preceding Period Ended 30.09.2011 RM'000
Profit before taxation	53,113	45,745
Adjustments for :-		
Non-cash items	18,872	14,498
Other operating items	11,403	10,103
Operating profit before changes in working capital	<u>83,388</u>	<u>70,346</u>
Changes in land and property development costs	3,319	11,239
Changes in inventories	3,241	1,595
Changes in gross amount due from / to customers	(837)	2,191
Changes in receivables	(32,616)	(59,164)
Changes in payables	26,638	(10,472)
Changes in accrued / progress billing in respect of property development costs	30,978	(6,178)
Changes in foreign exchange reserve	(2,672)	7,259
Cash generated from operations	<u>111,439</u>	<u>16,816</u>
Interest received	1,649	1,264
Interest paid	(24,324)	(17,048)
Tax paid	(26,818)	(12,439)
Tax refund	147	22
Net cash generated from / (used in) operating activities	<u>62,093</u>	<u>(11,385)</u>
Investing Activities		
Purchase of property, plant and equipment	(4,440)	(3,827)
Purchase of investment property	(1,325)	-
Proceeds from disposal of property, plant and equipment	599	185
Proceeds from disposal of investment properties	-	164
Proceeds from disposal of associated company	-	150
Net cash flow from disposal of associated and subsidiary company	-	20
Investment in associated and subsidiary companies	(130)	(600)
Repayment of prior year investment in associated and subsidiary companies	(19,483)	-
Capital work-in-progress incurred	(8,237)	(1,011)
Net cash used in investing activities	<u>(33,016)</u>	<u>(4,919)</u>
Financing Activities		
Increase in fixed deposit pledged	(29,989)	(17,725)
Decrease in cash and bank balances pledged	5,956	31,288
Drawdown of bank borrowings	136,083	38,855
Repayment of bank borrowings	(134,123)	(25,831)
Proceeds from issuance of Islamic Securities	-	40,000
Repayment of Islamic Securities	(20,000)	-
Repayment of hire purchase payables	(866)	(722)
Purchase of treasury shares	(4,398)	-
Dividend paid	(7,148)	-
Dividend paid to non-controlling interest	(1,470)	(1,078)
Net cash (used in) / generated from financing activities	<u>(55,955)</u>	<u>64,787</u>

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

	Current Period Ended 30.09.2012 RM'000	Preceding Period Ended 30.09.2011 RM'000
Net (decrease) / increase in cash and cash equivalents	(26,878)	48,483
Cash and cash equivalents at the beginning of financial period	55,182	(22,926)
Effect of exchange rate changes	(894)	958
Cash and cash equivalents at the end of financial period	<u>27,410</u>	<u>26,515</u>
Cash and cash equivalents comprise:-		
Deposits with licensed banks	58,877	21,799
Cash held under Housing Development Accounts	28,057	31,615
Cash and bank balances	35,977	39,665
Bank overdrafts	<u>(34,675)</u>	<u>(45,078)</u>
	88,236	48,001
Less : Fixed deposits pledged with licensed banks	(58,877)	(21,434)
Cash and bank balances pledged	<u>(1,949)</u>	<u>(52)</u>
	<u>27,410</u>	<u>26,515</u>

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 policiesBasis 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 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 1	Government Loans	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 11	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 116	Property, Plant and Equipment [(Improvements to FRSs (2012))]	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities [(Improvements to FRSs (2012))]	1 January 2013
Amendments to FRS 134	Interim Financial Reporting [(Improvements to FRSs (2012))]	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.

A2. Changes in accounting policies (cont'd)

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 will 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.

(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.

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A2. Changes in accounting policies (cont'd)

- (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 venturer (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 Group 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 Group 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 Group's first MFRS financial statements, the Group 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.

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 after 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.

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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
July 2012	1,360,000	0.855	0.780	1,107,577
August 2012	800,000	0.850	0.835	679,699
As at 30 September 2012	<u>5,326,700</u>			<u>4,398,329</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

During the financial quarter under review, a first and final gross dividend of 2.5 sen per ordinary share of RM1.00 each, less 25% income tax for the year ended 31 December 2011 was paid on 27 September 2012.

A9. Segment information

9 months ended 30 September 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	370,920	2,628	15,671	3,111	-	392,330
Inter-segment	-	160,048	-	49,541	(209,589)	-
Total Revenue	<u>370,920</u>	<u>162,676</u>	<u>15,671</u>	<u>52,652</u>	<u>(209,589)</u>	<u>392,330</u>
RESULTS						
Segment results	73,677	(54)	(4,590)	(4,517)	-	64,516
Interest income	886	23	54	686	-	1,649
Finance costs	(7,621)	(22)	-	(5,308)	-	(12,951)
Share of results of associates	-	-	-	(101)	-	(101)
Profit / (loss) before taxation	<u>66,942</u>	<u>(53)</u>	<u>(4,536)</u>	<u>(9,240)</u>	<u>-</u>	<u>53,113</u>
Taxation	(21,365)	(139)	852	758	-	(19,894)
Profit/ (loss) for the period	<u>45,577</u>	<u>(192)</u>	<u>(3,684)</u>	<u>(8,482)</u>	<u>-</u>	<u>33,219</u>

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A9. Segment information (cont'd)

9 months ended 30 September 2012 (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	30,518	6,279	4,821	-	-	41,618
Segment assets	1,126,386	19,591	122,316	188,482	-	1,456,775
Other non-cash expenses						
Depreciation	2,195	52	8,553	15	-	10,815
Property, plant and equipment written off	3	2	70	-	-	75
Bad debts written off	3,603	-	50	71	-	3,724
Loss on disposal of property, plant and equipment	14	-	-	-	-	14
Investment property written off	-	366	-	-	-	366
Unrealised loss on foreign exchange	-	-	226	14	-	240
Impairment on goodwill in subsidiary company	5,659	-	-	-	-	5,659
Impairment on receivables	-	-	-	40	-	40
Impairment on foreseeable loss on construction contract	-	10	-	-	-	10
Share-based payment	-	-	-	2,736	-	2,736
Other non-cash income						
Unrealised gain on foreign exchange	(118)	-	(293)	-	-	(411)
Gain on disposal of property, plant and equipment	(202)	(57)	(8)	-	-	(267)
Reversal of Impairment on receivables	(3,851)	-	-	-	-	(3,851)
Reversal of Impairment on investment property	-	(366)	-	-	-	(366)
Waiver of debts	(99)	-	(304)	-	-	(403)

9 months ended 30 September 2011

REVENUE						
External revenue	275,775	9,326	16,759	200	-	302,060
Inter-segment	-	83,672	-	41,938	(125,610)	-
Total Revenue	275,775	92,998	16,759	42,138	(125,610)	302,060
RESULTS						
Segment results	64,630	(3,230)	(2,490)	(3,062)	-	55,848
Interest income	904	-	107	253	-	1,264
Finance costs	(4,922)	(135)	-	(6,103)	-	(11,160)
Share of results of associates	-	-	-	(207)	-	(207)
Profit / (loss) before taxation	60,612	(3,365)	(2,383)	(9,119)	-	45,745
Taxation	(17,056)	-	754	562	-	(15,740)
Profit/ (loss) for the period	43,556	(3,365)	(1,629)	(8,557)	-	30,005
Assets						
Additional to non-current assets	31,721	4,622	902	623	-	37,868
Segment assets	1,096,845	29,509	131,934	154,872	-	1,413,160
Other non-cash expenses						
Depreciation	1,199	693	8,115	2	-	10,009
Unrealised loss on foreign exchange	-	-	580	-	-	580
Impairment on receivables	15	-	-	4	-	19
Property, plant and equipment written off	-	-	-	1	-	1
Loss on disposal of property, plant and equipment	20	-	-	-	-	20
Impairment on goodwill in subsidiary companies	4,631	-	-	-	-	4,631
Share-based payment	-	-	-	115	-	115

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A9. Segment information (cont'd)

9 months ended 30 September 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
Other non-cash income						
Gain on disposal of investment property	-	-	-	(5)	-	(5)
Gain on disposal of property, plant and equipment	(94)	-	-	-	-	(94)
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	(543)	-	-	-	-	(543)
Waiver of debts	-	-	-	(24)	-	(24)

A10. Valuation of property, plant and equipment

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

A11. Changes in the composition of the Group

- (i) On 10 September 2012, LBS Bina Holdings Sdn Bhd ("LBS") has acquired Forty Nine Thousand Five Hundred (49,500) ordinary shares of RM1.00 each, representing 18% equity interest in Casa Inspirasi Sdn Bhd ("CISB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Ten Million (RM10,000,000) only. Consequently, CISB became a 58% subsidiary of LBS.
- (ii) On 20 September 2012, LBS has acquired Forty Nine Thousand (49,000) ordinary shares of RM1.00 each, representing 49% equity interest in Utuh Aspirasi Sdn Bhd ("UASB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Ten Thousand (RM10,000) only. Consequently, UASB became a wholly-owned subsidiary of LBS.

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

A12. Material subsequent events

- (i) On 9 October 2012, LBS has subscribed for Thirty (30) ordinary shares of RM1.00 each in Warnasari Idaman Sdn Bhd ("WISB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Thirty (RM30.00) only. Consequently, WISB became a 30% associated company of LBS.
- (ii) On 16 October 2012, the Company has made two early redemptions by redeeming and cancelling part of Tranche 1 and its entire Tranche 3 of the Sukuk Programme with a nominal value of RM15.0 million and RM20.0 million respectively. The Tranche 1 and Tranche 3 are part of the RM135.0 million Sukuk Programme which is duly guaranteed by Danajamin Nasional Berhad.

The redemptions were 645 days and 274 days ahead of their respective maturity date of 23 July 2014 and 17 July 2013 and had contributed to a cost saving of about RM1.7 million thus giving a positive effect to the Company's earnings and reducing the gearing ratio by 7.3%.

Other than above, there were no material subsequent events as at 23 November 2012, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

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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

	30.09.2012 RM'000	30.09.2011 RM'000
Bank guarantee issued for property development	<u>11,323</u>	<u>8,811</u>

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

A15. Related party transactions

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

Related Parties	Amount RM'000
Contractor fees	13,436
Sale of properties	33,915
Provision of services as advocates and solicitors	215
Rental expenses	69
Rendering of services	46
Management fees expenses	152
Rental income	5

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 September 2012, the Group recorded revenue and profit before tax ("PBT") of approximately RM153 million and RM19 million respectively. These represent a 22% increase in revenue and 18% increase in PBT over the results achieved in the corresponding period in year 2011.

For the financial period ended 30 September 2012, the Group recorded revenue and PBT of approximately RM392 million and RM53 million respectively. These represent a 30% increase in revenue and 16% 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 the 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 RM153 million and RM19 million respectively as compared to revenue and PBT of approximately RM128 million and RM20 million respectively over the immediate preceding quarter.

The improved revenue was attributable to higher progressive recognition of revenue from its ongoing projects. The decrease in PBT was mainly due to increase in operating expenses.

B3. Prospects for the current financial year

The Board is pleased to report that as at 28 November 2012, the Group has achieved sales of approximately RM840 million.

With the Group's 18 ongoing projects and unbilled sales of approximately RM742 million as at 31 October 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	Preceding year	Current year	Preceding year
	Quarter	Quarter	To date	To date
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Current year's provision	10,671	8,264	25,681	16,820
(Over)/ Under provision	(1,566)	263	(1,563)	37
Deferred taxation	(1,015)	(183)	(4,224)	(1,117)
Total	8,090	8,344	19,894	15,740

The effective tax rate of the Group for the current quarter and financial period to date were 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 23 November 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 entered into a Memorandum of Understanding ("MoU") for the 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 ("IHL"), which in turn is a wholly-owned subsidiary of LBGB with Jiuzhou Technology Company Limited ("**JDJ**"), a wholly-owned subsidiary of Jiuzhou Development Company Limited ("**JDCL**") for an indicative price of not more than HK\$1.65 billion ("Proposal Disposal") to be 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.

The parties involved are in the advanced stage of discussion on the detailed terms and conditions of the Proposed Disposal. On 18 October 2012, IHL and JDJ have entered into an Extension Agreement to the MoU to extend the Cut-off Date to 17 April 2013 (or such later date as the parties may agree in writing).

B7. Borrowings and debts securities

Total Group borrowings as at 30 September 2012 were as follows: -

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Hire purchase payables	970	-	970
Bank overdrafts	34,675	-	34,675
Bank borrowings	91,704	-	91,704
Islamic commercial papers / Islamic medium term notes	20,000	-	20,000
Short term borrowings	147,349	-	147,349
Hire purchase payables	2,520	-	2,520
Bank borrowings	211,355	-	211,355
Islamic commercial papers / Islamic medium term notes	95,000	-	95,000
Long term borrowings	308,875	-	308,875
Total borrowings	456,224	-	456,224

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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	443,925	-	443,925
United States Dollar	12,299	-	12,299
	<u>456,224</u>	<u>-</u>	<u>456,224</u>

B8. Changes in material litigation

There was no material litigation as at 23 November 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 during the quarter under review.

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 30.09.2012	Preceding period 30.09.2011
Profit attributable to Owners of the Parent (RM'000)	<u>29,825</u>	<u>27,704</u>
Number of ordinary shares in issue ('000)	386,553	386,553
Less: weighted average treasury shares ('000)	<u>(2,462)</u>	<u>-</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>384,091</u>	<u>386,553</u>
Basic EPS (sen)	<u>7.77</u>	<u>7.17</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 is antidilutive.

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B11. Notes to the Statement of Comprehensive Income

	Current quarter 30.09.2012 RM'000	Current Year to date 30.09.2012 RM'000
Depreciation	(3,770)	(10,815)
Bad debts written off	(1)	(3,724)
Reversal of impairment on receivables	121	3,851
Investment property written off	(1)	(366)
Reversal of impairment on investment property	1	366
Impairment of goodwill on consolidation	(2,159)	(5,659)
Impairment on receivables	-	(40)
Impairment on foreseeable loss on construction contract	-	(10)
Property, plant and equipment written off	(1)	(75)
Gain on disposal of property, plant and equipment	15	253
Waiver of debts	2	403
Share-based payment	(2,588)	(2,736)
Unrealised gain on foreign exchange	2	171

B12. Realised and unrealised profits / (losses)

	Unaudited 30.09.2012 RM '000	Audited 31.12.2011 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:-		
- Realised	207,952	170,133
- Unrealised	(16,900)	(16,616)
	<u>191,052</u>	<u>153,517</u>
Total share of accumulated losses from associated companies		
- Realised	(570)	(603)
- Unrealised	-	-
	<u>190,482</u>	<u>152,914</u>
Less : Consolidation adjustments	(130,534)	(116,315)
Total Group retained profits as per consolidated accounts	<u>59,948</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 November 2012