



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

Interim Financial Report

31 December 2012

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
- For the financial year ended 31 December 2012

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter	Preceding Year Quarter	Current Year To date	Preceding Year To date
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue		139,306	147,505	531,636	449,565
Cost of sales		(97,359)	(99,292)	(367,526)	(296,605)
Gross profit		41,947	48,213	164,110	152,960
Interest Income		1,014	776	2,663	2,040
Other operating income		5,915	1,908	10,903	5,205
Operating expenses		(30,421)	(27,825)	(93,056)	(80,021)
Finance costs		(5,506)	(6,023)	(18,457)	(17,183)
Share of results of associates		(1)	(17)	(102)	(224)
Profit before taxation		12,948	17,032	66,061	62,777
Taxation	B5	(5,826)	(8,984)	(25,720)	(24,724)
Profit for the financial year		7,122	8,048	40,341	38,053
Attributable to: -					
Owners of the Parent		7,945	6,596	37,770	34,300
Non-controlling interests		(823)	1,452	2,571	3,753
		7,122	8,048	40,341	38,053

Earnings per share attributable to Owners of the Parent

-Basic (sen)	B10	2.07	1.71	9.85	8.87
-Diluted (sen)	B10	2.07	1.71	9.85	8.87

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 year ended 31 December 2012 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Quarter 31.12.2011 RM'000	Current Year To date 31.12.2012 RM'000	Preceding Year To date 31.12.2011 RM'000
Profit for the financial year	7,122	8,048	40,341	38,053
Other comprehensive income, net of tax:				
Foreign currency translation difference	563	(422)	(7,181)	17,859
Total comprehensive income for the financial year	<u>7,685</u>	<u>7,626</u>	<u>33,160</u>	<u>55,912</u>
Total comprehensive income attributable to:				
Owners of the Parent	8,249	6,147	32,083	46,388
Non-controlling interests	(564)	1,479	1,077	9,524
	<u>7,685</u>	<u>7,626</u>	<u>33,160</u>	<u>55,912</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 31 December 2012

	Note	31.12.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	206,797	214,116
Capital work-in-progress		4,934	6,745
Investment properties		11,120	5,251
Land and property development costs		499,404	484,575
Investment in associated companies		2,702	2,586
Trade and other receivables		38,667	45,791
Other investments		1,254	1,254
Goodwill on consolidation		119,191	120,488
		884,069	880,806
Current Assets			
Inventories		14,412	17,850
Land and property development costs		71,709	70,518
Accrued billing in respect of property development costs		110,493	140,391
Trade and other receivables		234,447	222,639
Tax recoverable		4,533	5,450
Fixed deposits with licensed banks		40,558	28,900
Cash held under Housing Development Accounts		36,936	37,664
Cash and bank balances		40,061	65,269
		553,149	588,681
TOTAL ASSETS		1,437,218	1,469,487
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Parent			
Share capital		386,553	386,553
Reserves		63,556	35,983
Treasury shares, at cost		(4,407)	-
		445,702	422,536
Non-controlling Interests		82,448	84,015
Total Equity		528,150	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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 31 December 2012 (cont'd)

	Note	31.12.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
Non-Current Liabilities			
Trade and other payables		22,442	92,393
Hire purchase payables	B7	2,296	2,168
Bank borrowings	B7	229,162	245,269
Islamic Securities	B7	75,000	135,000
Deferred tax liabilities		72,002	77,770
		400,902	552,600
Current Liabilities			
Progress billing in respect of property development costs		37,873	18,387
Trade and other payables		311,302	254,129
Hire purchase payables	B7	961	844
Bank overdrafts	B7	28,587	39,846
Bank borrowings	B7	93,322	56,486
Tax payable		36,121	40,644
		508,166	410,336
Total Liabilities		909,068	962,936
TOTAL EQUITY AND LIABILITIES		1,437,218	1,469,487
Net Assets per share attributable to Owners of the Parent (RM)		1.16	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 year ended 31 December 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	84,015	506,551
Amount recognised directly in equity:												
Profit for the financial year	-	-	-	-	-	-	-	-	37,770	37,770	2,571	40,341
Foreign currency translation	-	-	-	-	(5,759)	-	-	-	-	(5,759)	(1,422)	(7,181)
Dilution on investment in subsidiary	-	-	-	-	-	-	-	-	72	72	(72)	-
Total comprehensive income for the financial year	-	-	-	-	(5,759)	-	-	-	37,842	32,083	1,077	33,160
Transactions with owners:												
Realisation of subsidiary's reserve	-	-	-	-	-	(52)	-	-	52	-	-	-
Realisation of ESOS's reserve	-	-	-	(561)	-	-	-	-	561	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	(621)	-	(621)	-	(621)
Dividend paid for the financial year ended 31.12.2011	-	-	-	-	-	-	-	-	(7,148)	(7,148)	-	(7,148)
Share-based payment under ESOS	-	-	-	3,259	-	-	-	-	-	3,259	-	3,259
Share buy-back	-	(4,407)	-	-	-	-	-	-	-	(4,407)	-	(4,407)
Total transactions with owners	-	(4,407)	-	2,698	-	(52)	-	(621)	(6,535)	(8,917)	-	(8,917)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Acquisition of additional interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	296	296
Balance as at 31.12.2012	386,553	(4,407)	16,945	3,259	10,257	311	14,952	(50,074)	67,906	445,702	82,448	528,150

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial year ended 31 December 2012 (cont'd)

	←----- 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 financial year	-	-	-	-	-	-	-	-	34,301	34,301	3,753	38,054
Foreign currency translation	-	-	-	-	12,088	-	-	-	-	12,088	5,771	17,859
Total comprehensive income for the financial year	-	-	-	-	12,088	-	-	-	34,301	46,389	9,524	55,913
Transactions with owners:												
Realisation of subsidiary's reserve	-	-	-	-	-	(127)	-	-	127	-	-	-
Premium paid for acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	(49,453)	-	(49,453)	-	(49,453)
Share-based payment under ESOS	-	-	-	223	-	-	-	-	-	223	-	223
Total transactions with owners	-	-	-	223	-	(127)	-	(49,453)	127	(49,230)	-	(49,230)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,352)	(2,352)
Acquisition of additional investment from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(30,092)	(30,092)
Balance as at 31.12.2011	386,553	-	16,945	561	16,016	363	14,952	(49,453)	36,599	422,536	84,015	506,551

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 year ended 31 December 2012

	Current Year Ended 31.12.2012 RM'000	Preceding Year Ended 31.12.2011 RM'000
Profit before taxation	66,061	62,777
Adjustments for :-		
Non-cash items	30,787	26,790
Other operating items	15,896	15,367
Operating profit before changes in working capital	112,744	104,934
Changes in land and property development costs	168	40,653
Changes in inventories	4,459	1,188
Changes in gross amount due from / to customers	(679)	2,452
Changes in receivables	(31,626)	(65,410)
Changes in payables	34,640	2,097
Changes in accrued / progress billing in respect of property development costs	49,383	(79,156)
Changes in foreign exchange reserve	(2,674)	6,984
Cash generated from operations	166,415	13,742
Interest received	2,663	2,040
Interest paid	(34,929)	(25,384)
Tax paid	(41,296)	(23,232)
Tax refund	359	682
Net cash generated from / (used in) operating activities	93,212	(32,152)
Investing Activities		
Purchase of property, plant and equipment	(5,718)	(3,628)
Purchase of investment property	(1,325)	-
Proceeds from disposal of property, plant and equipment	599	106
Proceeds from disposal of investment properties	-	324
Proceeds from disposal of associated company	1,056	150
Net cash flow from disposal of subsidiary companies	-	1,020
Investment in associated and subsidiary companies	(130)	(27,018)
Repayment of prior year investment in associated and subsidiary companies	(24,543)	-
Capital work-in-progress incurred	(10,847)	(2,180)
Net cash used in investing activities	(40,908)	(31,226)
Financing Activities		
Increase in fixed deposit pledged	(11,669)	(25,192)
Decrease in cash and bank balances pledged	5,479	23,436
Drawdown of bank borrowings	181,766	124,851
Repayment of bank borrowings	(160,599)	(39,149)
Proceeds from issuance of Islamic Securities	-	60,000
Repayment of Islamic Securities	(60,000)	-
Repayment of hire purchase payables	(1,098)	(949)
Purchase of treasury shares	(4,407)	-
Dividend paid	(7,148)	-
Dividend paid to non-controlling interest	(2,940)	(2,352)
Net cash (used in) / generated from financing activities	(60,616)	140,645

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
- For the financial year ended 31 December 2012 (cont'd)

	Current Year Ended 31.12.2012 RM'000	Preceding Year Ended 31.12.2011 RM'000
Net (decrease) / increase in cash and cash equivalents	(8,312)	77,267
Cash and cash equivalents at the beginning of financial year	55,182	(22,926)
Effect of exchange rate changes	(887)	841
Cash and cash equivalents at the end of financial year	<u>45,983</u>	<u>55,182</u>
Cash and cash equivalents comprise:-		
Deposits with licensed banks	40,558	28,900
Cash held under Housing Development Accounts	36,936	37,664
Cash and bank balances	40,061	65,269
Bank overdrafts	<u>(28,587)</u>	<u>(39,846)</u>
	88,968	91,987
Less : Fixed deposits pledged with licensed banks	(40,558)	(28,900)
Cash and bank balances pledged	<u>(2,427)</u>	<u>(7,905)</u>
	<u>45,983</u>	<u>55,182</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 basis 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 year, 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

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
FRS 13	Fair Value Measurement	1 January 2013
FRS 119 (2011)	Employee Benefits	1 January 2013
FRS 127 (2011)	Separate Financial Statements	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 128 (2011)	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 1	Government Loans	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Improvements to FRSs (2012)		1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 (IFRS 9 (2009))	Financial Instruments	1 January 2015
FRS 9 (IFRS 9 (2010))	Financial Instruments	1 January 2015
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

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) Amendments to FRS 7 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.

- (ii) 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 the financial liabilities designated 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.

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A2. Changes in accounting policies (cont'd)

(iii) FRS 13 Fair Value Measurement

This standard defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. The definition of fair value under this standard emphasises the principle that fair value is a market-based measurement, not an entity specific measurement.

(iv) FRS 119 Employee Benefits (as amended in November 2011)

The revised FRS 119 will supersede the existing FRS 119 when effective. This new standard makes significant changes to the recognition and measurement of defined benefit pension expense and the termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. Past service costs, whether unvested or already vested, are recognised immediately in the profit or loss as incurred and the annual defined benefit costs in the profit or loss will include net interest expense/income on the defined benefit asset/liability.

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 (hereinafter 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. However, on 30 June 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, the MFRS Framework will be mandatory for Transitioning Entities for application for annual periods beginning on or after 1 January 2014.

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 2014. 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.

The Group is currently assessing the implications and financial impact of transition to the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2012 could be different if prepared under the MFRS Framework.

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 year 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
December 2012	10,000	0.845	0.845	8,512
As at 31 December 2012	<u>5,336,700</u>			<u>4,406,841</u>

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

A8. Dividends paid

There was no dividend paid during the quarter under review.

A9. Segment information

Year ended 31 December 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	501,841	3,337	22,176	4,281	-	531,635
Inter-segment	-	209,056	-	84,031	(293,087)	-
Total Revenue	<u>501,841</u>	<u>212,393</u>	<u>22,176</u>	<u>88,312</u>	<u>(293,087)</u>	<u>531,635</u>
RESULTS						
Segment results	94,699	169	(7,388)	(5,524)	-	81,956
Interest income	1,639	23	59	943	-	2,664
Finance costs	(11,109)	(18)	-	(7,330)	-	(18,457)
Share of results of associates	-	-	-	(102)	-	(102)
Profit / (loss) before taxation	<u>85,229</u>	<u>174</u>	<u>(7,329)</u>	<u>(12,013)</u>	<u>-</u>	<u>66,061</u>
Taxation	(27,956)	29	1,168	1,039	-	(25,720)
Profit/ (loss) for the financial year	<u>57,273</u>	<u>203</u>	<u>(6,161)</u>	<u>(10,974)</u>	<u>-</u>	<u>40,341</u>

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A9. Segment information (cont'd)

Year ended 31 December 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	44,649	7,801	9,144	-	-	61,594
Segment assets	1,117,198	32,244	121,647	166,128	-	1,437,217
Other non-cash expenses						
Depreciation	2,332	31	11,410	20	-	13,793
Property, plant and equipment written off	5	125	323	1	-	454
Bad debts written off	529	-	55	71	-	655
Loss on disposal of property, plant and equipment	14	-	-	-	-	14
Loss on disposal of associated companies	-	-	-	565	-	565
Unrealised loss on foreign exchange	13	-	233	-	-	246
Impairment of goodwill on consolidation	11,330	-	-	-	-	11,330
Impairment on receivables	368	-	104	40	-	512
Impairment on foreseeable loss on construction contract	-	45	-	-	-	45
Impairment on inventories	660	-	-	-	-	660
Impairment on investment property	1	-	-	-	-	1
Share-based payment	-	-	-	3,259	-	3,259
Other non-cash income						
Unrealised gain on foreign exchange	-	-	(282)	(89)	-	(371)
Gain on disposal of property, plant and equipment	(202)	(57)	(8)	-	-	(267)
Reversal of Impairment on receivables	(279)	-	-	(2)	-	(281)
Reversal of Impairment on inventory	(1,705)	-	-	-	-	(1,705)
Far value adjustment on non-current assets and non-current liabilities, net	(3,439)	-	-	-	-	(3,439)
Waiver of debts	(99)	-	(334)	-	-	(433)

Year ended 31 December 2011

REVENUE						
External revenue	414,463	10,319	24,270	513	-	449,565
Inter-segment	3,286	136,098	-	55,674	(195,058)	-
Total Revenue	417,749	146,417	24,270	56,187	(195,058)	449,565
RESULTS						
Segment results	89,620	(3,127)	(3,650)	(4,699)	-	78,144
Interest income	1,434	-	-	606	-	2,040
Finance costs	(7,857)	(59)	-	(9,267)	-	(17,183)
Share of results of associates	-	-	-	(224)	-	(224)
Profit / (loss) before taxation	83,197	(3,186)	(3,650)	(13,584)	-	62,777
Taxation	(22,011)	(174)	1,028	(3,567)	-	(24,724)
Profit/ (loss) for the financial year	61,186	(3,360)	(2,622)	(17,151)	-	38,053
Assets						
Additional to non-current assets	36,176	4,928	2,890	771	-	44,765
Segment assets	1,134,981	35,581	233,227	65,698	-	1,469,487
Other non-cash expenses						
Depreciation	1,635	984	10,946	3	-	13,568
Unrealised loss on foreign exchange	-	-	-	8	-	8
Bad debts written off	5	2,494	-	878	-	3,377
Deposits written off	16	-	-	-	-	16
Development costs written off	291	-	-	-	-	291

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A9. Segment information (cont'd)

Year ended 31 December 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 expenses (cont'd)						
Inventories written down	1,705	-	-	-	-	1,705
Property, plant and equipment written off	2	368	-	1	-	371
Impairment on receivables	3,881	894	39	-	-	4,814
Impairment on investment properties	69	542	-	-	-	611
Impairment of goodwill on consolidation	5,587	-	-	-	-	5,587
Share-based payment	-	-	-	223	-	223
Other non-cash income						
Gain on disposal of investment property	(7)	-	-	-	-	(7)
Gain on disposal of property, plant and equipment	(77)	(2)	-	-	-	(79)
Gain on disposal of associate	-	-	-	(150)	-	(150)
Gain on disposal of subsidiaries	-	-	-	(393)	-	(393)
Reversal of impairment on receivables	(386)	(2,754)	-	-	-	(3,140)
Reversal of impairment for foreseeable losses on construction contract	-	(1)	-	-	-	(1)
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 audited financial statements.

A11. Changes in the composition of the Group

- (i) On 9 October 2012, LBS Bina Holdings Sdn Bhd ("LBS") has acquired 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 3 December 2012, Sinaran Restu Sdn Bhd ("SRSB") has acquired One Hundred Fifty Thousand (150,000) ordinary shares of RM1.00 each representing 30% equity interest in Iringin Kejora Sdn Bhd ("IKSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000) only. Consequently, IKSB became a 30% associated company of SRSB.
- (iii) On 10 December 2012, LBS has acquired Fifty Thousand (50,000) ordinary shares of RM1.00 each representing 10% equity interest in Galeri Cekap Sdn Bhd ("GCSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One (RM1) only. Consequently, LBS's shareholding in GCSB has increased from 90% to 100%. Consequently, GCSB 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.

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A12. Material subsequent events

On 28 January 2013, LBS has acquired additional Twenty (20) ordinary shares of RM1.00 each in Dataran Enigma Sdn Bhd ("DESB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twenty (RM20.00) only. Consequently, DESB became a 50% associated company of LBS.

Other than above, there were no material subsequent events as at 19 February 2013, 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

	31.12.2012 RM'000	31.12.2011 RM'000
Bank guarantee issued for property development	<u>12,640</u>	<u>8,712</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 year were summarised as below:-

Related Parties	Amount RM'000
Contractor fees	13,237
Sale of properties	43,044
Provision of services as advocates and solicitors	266
Rental expenses	106
Rendering of services	71
Management fees expenses	207
Rental income	7

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 31 December 2012, the Group recorded revenue and profit before tax ("PBT") of approximately RM139 million and RM13 million respectively. These represent a 6% decrease in revenue and 24% decrease in PBT over the results achieved in the corresponding period in year 2011.

The revenue and PBT were lower due to change in product mix, slower construction activities due to erratic weather condition during the period, increase in project costs and operating expenses.

For the financial year ended 31 December 2012, the Group recorded revenue and PBT of approximately RM532 million and RM66 million respectively. These represent a 18% increase in revenue and 5% increase in PBT over the results recorded in the preceding year.

The improved revenue and PBT for the financial year end 31 December 2012 are attributable to the progressive recognition of revenue and profit contribution from the following projects with good take up rates such as, *D' Island Residence and The Lake Residence* in Puchong, *Cameron Golden Hills and Brinchang Square* in Cameron Highlands, *Min Garden* in Batu Pahat, *Lavender 2, Iris Garden II, Topaz III & IV, Ivory Residences, Ivory Residences II, Indigo Homes, Magenta Homes, Camelia Cottage, Pearl Villa, Royal Ivory, Royal Ivory 2, Royal Garden 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 of approximately RM139 million and RM13 million respectively as compared to revenue and PBT of approximately RM153 million and RM19 million respectively over the immediate preceding quarter.

The revenue and PBT were lower mainly due to lower recognition of revenue and PBT arising from slower construction activities as a result of erratic weather condition during the period, increase in project costs and operating expenses.

B3. Prospects for the next financial year

The Group has achieved sales of RM871 million in the year 2012, which represents 32% increase as compared to RM662 million sales in the year 2011.

The Group plans to launch its new projects in Cameron Highlands, Klang Valley, Batu Pahat and will continue to source for strategic development lands to further enhance its performance.

With the Group's 19 ongoing projects and unbilled sales of approximately RM745 million as at 31 December 2012, the Group is confident of achieving further improvement in its performance for the financial year ending 31 December 2013.

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B4. Profit forecast or profit guarantee

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

B5. Taxation

	Individual Quarter		Cumulative Year	
	Current year Quarter 31.12.2012 RM'000	Preceding year Quarter 31.12.2011 RM'000	Current year To date 31.12.2012 RM'000	Preceding year To date 31.12.2011 RM'000
Current year's provision	6,272	11,014	31,953	27,834
(Over)/ Under provision	97	(1)	(1,466)	36
Deferred taxation	(543)	(2,029)	(4,767)	(3,146)
Total	5,826	8,984	25,720	24,724

The effective tax rate of the Group for the current quarter and financial year 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 19 February 2013, 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 ("**JDX**") (now known as Jiuzhou Tourism Property Company Limited), a wholly-owned subsidiary of Jiuzhou Development Company Limited ("**JDCL**") (now known as Zhuhai Holdings Investment Group Limited) 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 JDX 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 31 December 2012 were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Hire purchase payables	961	-	961
Bank overdrafts	28,587	-	28,587
Bank borrowings	93,322	-	93,322
Short term borrowings	122,870	-	122,870

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B7. Borrowings and debts securities (cont'd)

Hire purchase payables	2,296	-	2,296
Bank borrowings	229,162	-	229,162
Islamic commercial papers / Islamic medium term notes	75,000	-	75,000
Long term borrowings	306,458	-	306,458
Total borrowings	429,328	-	429,328

Currency exposure profiles of borrowings were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	417,097	-	417,097
United States Dollar	12,231	-	12,231
	429,328	-	429,328

B8. Changes in material litigation

There was no material litigation as at 19 February 2013, 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 Year to date 31.12.2012	Preceding Year to date 31.12.2011
Profit attributable to Owners of the Parent (RM'000)	37,770	34,300
Number of ordinary shares in issue ('000)	386,553	386,553
Less: weighted average treasury shares ('000)	(3,183)	-
Adjusted weighted average number of ordinary shares in issue ('000)	383,370	386,553
Basic EPS (sen)	9.85	8.87

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 31.12.2012 RM'000	Current Year to date 31.12.2012 RM'000
Depreciation	(2,978)	(13,793)
Bad debts written off	(511)	(655)
Reversal of impairment on receivables	10	281
Investment property written off	(1)	-
Impairment of goodwill on consolidation	(5,671)	(11,330)
Impairment on receivables	(472)	(512)
Impairment on foreseeable loss on construction contract	(45)	(45)
Impairment on investment properties	(1)	(1)
Impairment on inventories	(660)	(660)
Property, plant and equipment written off	(379)	(454)
Loss on disposal of associated companies	(75)	(565)
Loss on disposal of property, plant and equipment	-	(14)
Share-based payment	(523)	(3,259)
Gain on disposal of property, plant and equipment	18	267
Waiver of debts	30	433
Reversal of impairment on inventories	1,705	1,705
Fair value adjustment on non-current assets and non-current liabilities, net	3,439	3,439
Unrealised gain on foreign exchange	(46)	125

B12. Realised and unrealised profits / (losses)

	Unaudited 31.12.2012 RM '000	Audited 31.12.2011 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:-		
- Realised	231,763	170,133
- Unrealised	(23,720)	(16,616)
	<u>208,043</u>	<u>153,517</u>
Total share of accumulated losses from associated companies: -		
- Realised	(576)	(603)
- Unrealised	-	-
	<u>207,467</u>	<u>152,914</u>
Less : Consolidation adjustments	(139,561)	(116,315)
Total Group retained profits as per consolidated accounts	<u>67,906</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
26 February 2013