



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

Interim Financial Report

30 June 2013

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	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 20

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

- For the financial period ended 30 June 2013

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2013 RM'000	Preceding Year Quarter 30.06.2012 RM'000	Current Year To date 30.06.2013 RM'000	Preceding Year To date 30.06.2012 RM'000
Continuing operations					
Revenue		134,209	123,235	242,412	229,371
Cost of sales		(92,508)	(85,830)	(167,183)	(162,590)
Gross profit		41,701	37,405	75,229	66,781
Interest Income		1,118	428	2,035	877
Other income		1,565	1,233	2,992	2,070
Operating expenses		(16,685)	(12,206)	(32,695)	(23,856)
Finance costs		(4,306)	(4,242)	(8,030)	(8,685)
Share of results of associates		(3)	(85)	(5)	(98)
Profit before taxation		23,390	22,533	39,526	37,089
Taxation	B5	(7,872)	(7,051)	(13,907)	(12,374)
Profit from continuing operations		15,518	15,482	25,619	24,715
Discontinued operations					
Profit / (Loss) from discontinued operations		808	(1,911)	3,789	(2,541)
Profit for the financial period		16,326	13,571	29,408	22,174
Attributable to: -					
Owners of the Parent		14,216	13,210	26,920	19,497
Non-controlling interests		2,110	361	2,488	2,677
		16,326	13,571	29,408	22,174
Earnings per share for profit / (loss) attributable to Owners of the Parent					
Basic (sen)	B10				
- continuing operations		3.61	3.73	6.48	5.44
- discontinued operations		0.12	(0.30)	0.59	(0.38)
Total		3.73	3.43	7.07	5.06
Diluted (sen)	B10				
- continuing operations		3.61	3.73	6.47	5.44
- discontinued operations		0.12	(0.30)	0.59	(0.38)
Total		3.73	3.43	7.06	5.06

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 June 2013 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2013 RM'000	Preceding Year Quarter 30.06.2012 RM'000	Current Year To date 30.06.2013 RM'000	Preceding Year To date 30.06.2012 RM'000
Profit for the financial period	16,326	13,571	29,408	22,174
Other comprehensive income, net of tax:				
Foreign currency translation difference	9,783	9,529	14,432	2,678
Total comprehensive income for the financial period	<u>26,109</u>	<u>23,100</u>	<u>43,840</u>	<u>24,852</u>
Total comprehensive income attributable to:				
Owners of the Parent	21,097	20,594	37,025	21,421
Non-controlling interests	5,012	2,506	6,815	3,431
	<u>26,109</u>	<u>23,100</u>	<u>43,840</u>	<u>24,852</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 2012 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 2013

	Note	30.06.2013 (Unaudited) RM'000	31.12.2012 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	17,844	15,333
Capital work-in-progress		4,460	1,746
Investment properties		6,367	6,441
Land and property development costs		330,324	337,686
Investment in associated companies		2,714	2,702
Trade and other receivables		39,372	38,667
Other investments		1,254	1,254
Goodwill on consolidation		98,284	103,237
Deferred tax assets		1,426	113
		502,045	507,179
Current Assets			
Inventories		13,913	13,594
Land and property development costs		102,229	69,429
Accrued billing in respect of property development costs		79,762	110,493
Trade and other receivables		164,386	180,730
Tax recoverable		3,697	4,533
Fixed deposits with licensed banks		29,438	40,203
Cash held under Housing Development Accounts		50,903	36,936
Cash and bank balances		24,668	19,958
		468,996	475,876
Non-current assets classified as held for sale		320	4,679
Assets of disposal group classified as held for sale		466,346	447,274
		935,662	927,829
TOTAL ASSETS		1,437,707	1,435,008
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Parent			
Share capital		391,157	386,553
Reserves		100,863	62,959
Treasury shares, at cost		(5,527)	(4,407)
		486,493	445,105
Non-controlling Interests		86,810	81,726
Total Equity		573,303	526,831

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 30 June 2013 (cont'd)

	Note	30.06.2013 (Unaudited) RM'000	31.12.2012 (Audited) RM'000
Non-Current Liabilities			
Trade and other payables		92,970	86,964
Finance lease payables	B7	2,763	2,293
Bank borrowings	B7	167,730	223,085
Islamic Securities	B7	50,000	75,000
Deferred tax liabilities		325	114
		313,788	387,456
Current Liabilities			
Progress billing in respect of property development costs		66,829	37,873
Trade and other payables		229,785	239,886
Finance lease payables	B7	1,075	963
Bank overdrafts	B7	19,254	28,587
Bank borrowings	B7	121,104	99,399
Tax payable		33,682	36,368
		471,729	443,076
Liabilities of disposal group classified as held for sale		78,887	77,645
		550,616	520,721
Total Liabilities		864,404	908,177
TOTAL EQUITY AND LIABILITIES		1,437,707	1,435,008
Net Assets per share attributable to Owners of the Parent (RM)		1.26	1.16

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 2013

	←----- Attributable to Owners of the Parent ----->								<-Distributable->		Non-controlling Interests	Total Equity
	<----- Non-distributable ----->											
	Share Capital	Treasury Shares	Share Premium	ESOS Reserve	Foreign Exchange Reserve	Revaluation Reserve	Warrant Reserve	Other Reserve	Retained Profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2013	386,553	(4,407)	16,945	3,259	10,271	311	14,952	(50,074)	67,295	445,105	81,726	526,831
Amount recognised directly in equity:												
Profit for the financial period	-	-	-	-	-	-	-	-	26,920	26,920	2,488	29,408
Foreign currency translation	-	-	-	-	10,105	-	-	-	-	10,105	4,327	14,432
Total comprehensive income for the financial period	-	-	-	-	10,105	-	-	-	26,920	37,025	6,815	43,840
Transactions with owners:												
Realisation of subsidiary's reserve	-	-	-	-	-	(40)	-	-	40	-	-	-
Issuance of ordinary shares:												
- Exercise of Warrants	2,000	-	200	-	-	-	(200)	-	-	2,000	-	2,000
- Exercise of ESOS	2,604	-	-	-	-	-	-	-	-	2,604	-	2,604
Change in ownership interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	(261)	(261)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Own shares acquired	-	(2,986)	-	-	-	-	-	-	-	(2,986)	-	(2,986)
Disposal of treasury shares	-	1,866	879	-	-	-	-	-	-	2,745	-	2,745
Total transactions with owners	4,604	(1,120)	1,079	-	-	(40)	(200)	-	40	4,363	(1,731)	2,632
Balance as at 30.06.2013	391,157	(5,527)	18,024	3,259	20,376	271	14,752	(50,074)	94,255	486,493	86,810	573,303

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 30 June 2013 (cont'd)

	←----- 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 financial 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 financial period	-	-	-	-	1,851	-	-	-	19,570	21,421	3,431	24,852
Transactions with owners:												
Dividend paid / payable	-	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Own shares acquired	-	(2,611)	-	-	-	-	-	-	-	(2,611)	-	(2,611)
Realisation of subsidiary company's reserve	-	-	-	-	-	(39)	-	-	39	-	-	-
Share-based payment	-	-	-	148	-	-	-	-	-	148	-	148
Total transactions with owners	-	(2,611)	-	148	-	(39)	-	-	39	(2,463)	(1,470)	(3,933)
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

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 2012 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 2013**

	Current Period Ended 30.06.2013 RM'000	Preceding Period Ended 30.06.2012 RM'000
Profit / (loss) before taxation		
- continuing operations	39,526	37,089
- discontinued operations	3,784	(3,111)
Adjustments for :-		
Non-cash items	6,655	10,002
Other operating items	5,963	7,847
Operating profit before changes in working capital	<u>55,928</u>	<u>51,827</u>
Changes in land and property development costs	(22,117)	4,538
Changes in inventories	(405)	3,148
Changes in amount owing by/ to contract customers	1,664	(1,287)
Changes in receivables	10,078	(4,931)
Changes in payables	955	680
Changes in accrued / progress billing in respect of property development costs	59,687	(1,666)
Changes in foreign exchange reserve	5,709	1,311
Cash generated from operations	<u>111,499</u>	<u>53,620</u>
Interest received	2,072	935
Interest paid	(14,518)	(16,432)
Tax paid	(18,198)	(17,008)
Tax refund	1,304	11
Net cash generated from operating activities	<u>82,159</u>	<u>21,126</u>
Investing Activities		
Purchase of property, plant and equipment	(3,200)	(2,479)
Purchase of investment property	-	(1,322)
Proceeds from disposal of property, plant and equipment	236	540
Proceeds from disposal of non-current asset held for sale	4,580	-
Net cash outflow from acquire of subsidiary companies	(46)	-
Investment in associated and subsidiary companies	-	(10,047)
Repayment of prior year investment in associated and subsidiary companies	(8,524)	-
Capital work-in-progress incurred	(2,812)	(7,316)
Net cash used in investing activities	<u>(9,766)</u>	<u>(20,624)</u>
Financing Activities		
Decrease / (increase) in fixed deposit pledged	11,131	(16,202)
(Increase) / decrease in cash and bank balances pledged	(674)	5,483
Drawdown of bank borrowings	69,716	77,140
Repayment of bank borrowings	(103,767)	(83,782)
Repayment of Islamic Securities	(25,000)	-
Repayment of hire purchase payables	(253)	(636)
Purchase of treasury shares	(2,986)	(2,611)
Dividend paid to non-controlling interest	(1,470)	(1,470)
Proceeds from issuance of shares	4,605	-
Proceeds from disposal of treasury shares	2,745	-
Net cash used in financing activities	<u>(45,953)</u>	<u>(22,078)</u>

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
- For the financial period ended 30 June 2013 (cont'd)

	Current Period Ended 30.06.2013 RM'000	Preceding Period Ended 30.06.2012 RM'000
Net increase / (decrease) in cash and cash equivalents	26,440	(21,576)
Cash and cash equivalents at the beginning of financial period	45,901	55,182
Effect of exchange rate changes	660	119
Cash and cash equivalents at the end of financial period	<u>73,001</u>	<u>33,725</u>
Cash and cash equivalents comprise:-		
Continuing operations		
Deposits with licensed banks	29,438	44,736
Cash held under Housing Development Accounts	50,903	28,221
Cash and bank balances	24,668	21,278
Bank overdrafts	<u>(19,254)</u>	<u>(36,772)</u>
	85,755	57,463
Less : Fixed deposits pledged with licensed banks	<u>(29,438)</u>	<u>(44,736)</u>
Cash and bank balances pledged	<u>(3,183)</u>	<u>(2,422)</u>
	<u>53,134</u>	<u>10,305</u>
Discontinued operations		
Deposits with licensed banks	-	368
Cash and bank balances	<u>19,867</u>	<u>23,420</u>
	19,867	23,788
Less : Fixed deposits pledged with licensed banks	<u>-</u>	<u>(368)</u>
	<u>19,867</u>	<u>23,420</u>
	<u>73,001</u>	<u>33,725</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 2012 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 2012. 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 2012.

A2. Changes in accounting policiesBasis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in accordance 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"), Issues Committee ("IC") Interpretations and Amendments to FRSs and IC Interpretations which are effective and mandatory for the current financial year:-

FRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119 (2011)	Employee Benefits
FRS 127 (2011)	Separate Financial Statements
FRS 128 (2011)	Investments in Associates and Joint Ventures
FRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 2	Members' shares in Co-operative Entities and Similar Instruments
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRSs contained in the document entitled "Annual Improvements 2009 – 2011 Cycle"	

LBS BINA GROUP BERHAD (518482-H)

A2. Changes in accounting policies (cont'd)

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

		<u>Effective date for financial periods beginning on or after</u>
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10,12 and 127	Investment Entities	1 January 2014
FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

The above 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 the initial applications of these FRSs, Amendments to FRSs and IC Interpretations will have no significant impact on the financial statements of the Company.

New Malaysian Financial Reporting Standards ("MFRS Framework")

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").

On 30 June 2012, the MASB announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities deferred from 1 January 2013 to 1 January 2014.

On 7 August 2013, the MASB announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities further deferred from 1 January 2014 to 1 January 2015.

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 2015. 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 period ended 30 June 2013 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 2012 was not subject to any qualification.

LBS BINA GROUP BERHAD (518482-H)

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

- (i) Issuance of shares pursuant to the Company's Employee Share Option Scheme ("ESOS")
The Company has issued and allotted 2,604,500 ordinary shares of RM1.00 each for cash at RM1.00 per share arising from the exercise of options granted under the ESOS during the current quarter.

Subsequent to the current quarter, a total of 5,898,150 ordinary shares of RM1.00 each were issued and allotted for cash at RM1.00 per share respectively arising from the exercise of options granted under ESOS.

- (ii) Issuance of shares pursuant to the exercise of warrants
A total of 2,000,000 warrants were exercised and converted into ordinary shares of RM1.00 each during the current quarter which resulted in 2,000,000 ordinary shares of RM1.00 each being issued and allotted.

Subsequent to the current quarter, a total of 9,060,000 warrants were exercised and converted into ordinary shares of RM1.00 each which resulted in 9,060,000 ordinary shares of RM1.00 each being issued and allotted.

- (iii) Share buyback by the Company
During the current quarter, the Company repurchased 3,259,800 of its issued shares from the open market for a total consideration of RM2,986,106 and held as Treasury Shares. Thereafter, the Company resold 2,170,000 of its Treasury Shares at the open market for a total consideration of RM2,744,710.

Subsequent to the current quarter, a total of 2,465,500 ordinary shares were repurchased from the open market for a total consideration of RM4,028,293.

Other than the above, there were no other issuances, repurchases, cancellations, resale and repayments of debts and equity securities as at 19 August 2013, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A8. Dividend paid

There was no dividend paid during the quarter under review.

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information

6 months ended 30 June 2013

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Elimination RM'000	Total Continuing Operations RM'000	Discontinued Operations RM'000	Consolidated RM'000
REVENUE							
External revenue	238,101	-	4,311	-	242,412	12,878	255,290
Inter-segment	-	94,339	49,583	(143,922)	-	-	-
Total Revenue	238,101	94,339	53,894	(143,922)	242,412	12,878	255,290
RESULTS							
Segment results	46,146	(52)	(568)	-	45,526	3,747	49,273
Interest income	1,321	-	714	-	2,035	37	2,072
Finance costs	(5,969)	-	(2,061)	-	(8,030)	-	(8,030)
Share of results of associates	-	-	(5)	-	(5)	-	(5)
Profit / (loss) before taxation	41,498	(52)	(1,920)	-	39,526	3,784	43,310
Taxation	(14,195)	(24)	312	-	(13,907)	5	(13,902)
Profit/ (loss) for the financial period	27,303	(76)	(1,608)	-	25,619	3,789	29,408
Assets							
Additional to non-current assets	6,702	2,736	-	-	9,438	2,994	12,432
Segment assets	1,034,023	35,281	69,145	-	1,138,449	299,258	1,437,707
Other non-cash expenses							
Depreciation	1,343	7	22	-	1,372	-	1,372
Property, plant and equipment written off	8	-	-	-	8	-	8
Impairment of goodwill on consolidation	5,000	-	-	-	5,000	-	5,000
Other non-cash income							
Unrealised gain on foreign exchange	-	-	(81)	-	(81)	(136)	(217)
Gain on disposal of property, plant and equipment	(70)	-	-	-	(70)	(8)	(78)
Gain on disposal of subsidiary company	(271)	-	-	-	(271)	-	(271)
Gain on disposal of non- current assets classified as held for sale	-	(80)	-	-	(80)	-	(80)
Fair value adjustment on non-current liabilities	(1,012)	-	-	-	(1,012)	-	(1,012)

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information (cont'd)

6 months ended 30 June 2012

	Property Development RM'000	Construction RM'000	Management , Investment & Others RM'000	Elimination RM'000	Total Continuing Operation RM'000	Discontinued Operation RM'000	Consolidated RM'000
REVENUE							
External revenue	225,368	2,002	2,001	-	229,371	10,049	239,420
Inter-segment	-	102,153	26,474	(128,627)	-	-	-
Total Revenue	225,368	104,155	28,475	(128,627)	229,371	10,049	239,420
RESULTS							
Segment results	45,830	661	(1,496)	-	44,995	(3,168)	41,827
Interest income	626	23	228	-	877	57	934
Finance costs	(4,926)	(148)	(3,611)	-	(8,685)	-	(8,685)
Share of results of associates	-	-	(98)	-	(98)	-	(98)
Profit / (loss) before taxation	41,530	536	(4,977)	-	37,089	(3,111)	33,978
Taxation	(12,141)	(161)	(72)	-	(12,374)	570	(11,804)
Profit/ (loss) for the financial period	29,389	375	(5,049)	-	24,715	(2,541)	22,174
Assets							
Additional to non-current assets	20,542	5,901	-	-	26,443	5,880	32,323
Segment assets	1,036,308	35,274	78,715	-	1,150,297	300,759	1,451,056
Other non-cash expenses							
Depreciation	1,354	31	10	-	1,395	5,650	7,045
Property, plant and equipment written off	3	2	-	-	5	69	74
Bad debts written off	-	-	70	-	70	50	120
Impairment on receivables	-	-	40	-	40	-	40
Impairment on goodwill in subsidiary company	3,500	-	-	-	3,500	-	3500
Loss on unrealised foreign exchange	-	-	14	-	14	-	14
Impairment on foreseeable loss on construction contract	-	10	-	-	10	-	10
Share-based payment	-	-	148	-	148	-	148
Other non-cash income							
Gain on unrealised foreign exchange	-	-	-	-	-	(182)	(182)
Gain on disposal of property, plant and equipment	(182)	(49)	-	-	(231)	(7)	(238)
Reversal of impairment on receivables	(127)	-	-	-	(127)	-	(127)
Waiver of debts	-	-	-	-	-	(401)	(401)

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.

LBS BINA GROUP BERHAD (518482-H)

A11. Changes in the composition of the Group

- (i) On 3 April 2013, LBS Bina Holdings Sdn Bhd ("LBS") has acquired additional One (1) ordinary share of RM1.00 each in Dataran Enigma Sdn Bhd ("DESB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One (RM1.00) only. Consequently, DESB became a 51% subsidiary of LBS.
- (ii) On 12 April 2013, LBS has disposed of its Thirty Thousand (30,000) ordinary shares of RM1.00 each representing 30% equity interest in LBS Maju Sdn Bhd ("LMSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Thirty Thousand (RM30,000.00) only. Consequently, LBS's shareholding in LMSB has reduced from 100% to 70%.
- (iii) On 13 May 2013, Pelangi Homes Sdn Bhd ("PHSB"), a wholly-owned subsidiary of LBS has increased its paid up share capital from 2,500,100 to 2,700,100 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in PHSB by way of capitalisation.

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 22 July 2013, LBS has acquired Three Hundred Thousand (300,000) ordinary shares of RM1.00 each in Setara Armada Sdn Bhd ("SASB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Three Hundred Thousand (RM300,000.00) only. Consequently, SASB became a 30% associated company of LBS.
- (ii) On 12 August 2013, all conditions precedent and conditions for completion applicable in respect of the sale and purchase agreement dated 10 April 2013 ("SPA") for the disposal of entire issued and paid-up share capital of Lamdeal Consolidated Development Limited ("Lamdeal Development") and Lamdeal Golf & Country Club Limited ("Lamdeal Golf") by Dragon Hill Corporation Limited, an indirect wholly-owned subsidiary of the Company for an aggregate sale consideration of HKD1,650.00 million have been fulfilled and obtained or waived in accordance with the terms and conditions of the SPA. Consequently, Lamdeal Development and Lamdeal Golf together with its subsidiaries have ceased to be subsidiaries of the Group.
- (iii) On 1 July 2013, a total of 8,078,550 Shares Options under Employee Share Option Scheme ("ESOS") were granted at the subscription price of RM1.081 to the eligible employees under the Second Grant of the ESOS.
- (iv) On 1 August 2013, a total of 453,900 Shares Options under ESOS were granted at the subscription price of RM1.218 to the eligible employees under the Third Grant of the ESOS.

Other than above, there were no material subsequent events as at 19 August 2013, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

LBS BINA GROUP BERHAD (518482-H)

A13. Capital commitments

Capital commitments not provided as at the date of this interim financial report are as follows:

	Amount RM'000
Approved and contracted for	
- Purchase of development land	1,788
- Joint venture for development	186,528
	<u>188,316</u>

A14. Changes in contingent assets or contingent liabilities

	30.06.2013 RM'000	30.06.2012 RM'000
Bank guarantee issued for property development	<u>14,046</u>	<u>9,561</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	4,421
Sale of properties	4,254
Provision of services as advocates and solicitors	69
Rental expenses	69
Rendering of services	35
Rental income	4
Investment in subsidiary companies	53

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

Continuing operations

For the three months ended 30 June 2013, the Group recorded revenue and profit before tax ("PBT") of approximately RM134 million and RM23 million respectively. These represent 9% increase in revenue and 4% increase in PBT over the result achieved in the corresponding quarter in the year 2012.

For the 6 months ended 30 June 2013, the Group recorded revenue and PBT of approximately RM242 million and RM40 million respectively. These represent a 6% increase in revenue and 7% increase in PBT over the result recorded in the corresponding period in the year 2012.

The improved revenue and PBT for the current quarter and period to date were attributable to the progressive recognition of revenue and profit contribution from the following projects such as, D' Island Residence and The Lake Residence in Puchong, Brinchang Square in Cameron Highlands, Min Garden in Batu Pahat, Pearl Villa, Royal Ivory, Royal Ivory 2, Royal Garden, BSP Skypark and I Hub Puchong in Bandar Saujana Putra.

Discontinued operations

For the three months ended 30 June 2013, the Group recorded profit after tax ("PAT") of approximately RM0.8 million as compared to the loss after tax ("LAT") of approximately RM1.9 million in the corresponding quarter in the year 2012.

For the 6 months ended 30 June 2013, the Group recorded profit after tax ("PAT") of approximately RM3.8 million as compared to the loss after tax ("LAT") of approximately RM2.5 million in the corresponding period in the year 2012.

The improvement was mainly due to increase in golf membership sales and non-provision of depreciation and amortization in accordance with Financial Reporting Standard 5.

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

Continuing operations

For the current quarter under review, the Group's revenue and PBT were approximately RM134 million and RM23 million respectively as compared to the revenue and PBT of approximately RM108 million and RM16 million respectively in the immediate preceding quarter.

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

Discontinued operations

For the current quarter under review, the Group's PAT was approximately RM0.8 million as compared to PAT of approximately RM3 million in the immediate preceding quarter. The decrease was mainly due to lower golf membership sales.

LBS BINA GROUP BERHAD (518482-H)

B3. Prospects for the current financial year

With the Group's 17 ongoing projects and unbilled sales of approximately RM714 million as at 15 August 2013, the Group is confident of achieving further improvement in its performance for the financial year ending 31 December 2013.

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

The breakdown of tax charges were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 30.06.2013 RM'000	Preceding year Quarter 30.06.2012 RM'000	Current year To date 30.06.2013 RM'000	Preceding year To date 30.06.2012 RM'000
<u>Continuing operations:</u>				
Current year's provision	8,015	7,763	15,011	14,998
Under provision	-	3	-	3
Deferred taxation	(143)	(715)	(1,104)	(2,627)
Total tax expense	<u>7,872</u>	<u>7,051</u>	<u>13,907</u>	<u>12,374</u>
<u>Discontinued operations:</u>				
Current year's provision	-	3	2	12
Over provision	-	-	(23)	-
Deferred taxation	24	(312)	16	(582)
Total tax credit	<u>24</u>	<u>(309)</u>	<u>(5)</u>	<u>(570)</u>
Total	<u>7,896</u>	<u>6,742</u>	<u>13,902</u>	<u>11,804</u>

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 was no corporate proposal announced by the Company but has not been completed as at 19 August 2013, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B7. Borrowings and debts securities

Total Group borrowings as at 30 June 2013 were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Finance lease payables	1,075	-	1,075
Bank overdrafts	19,254	-	19,254
Bank borrowings	121,104	-	121,104
Short term borrowings	<u>141,433</u>	<u>-</u>	<u>141,433</u>

LBS BINA GROUP BERHAD (518482-H)

B7. Borrowings and debts securities (cont'd)

Total Group borrowings as at 30 June 2013 were as follows:- (cont'd)

	Secured RM'000	Unsecured RM'000	Total RM'000
Finance lease payables	2,763	-	2,763
Bank borrowings	167,730	-	167,730
Islamic commercial papers / Islamic medium term notes	50,000	-	50,000
Long term borrowings	220,493	-	220,493
Total borrowings	361,926	-	361,926

Currency exposure profiles of borrowings were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	352,442	-	352,442
United States Dollar	9,484	-	9,484
	361,926	-	361,926

B8. Changes in material litigation

There was no material litigation as at 19 August 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

The Company has declared a Special Dividend of 8 sen per ordinary share ("tax exempt dividend") in respect of the financial year ending 31 December 2013 to be paid on 18 October 2013 to depositors registered in the Record of Depositors on 3 October 2013.

In respect of the previous financial year ended 31 December 2012:-

- (i) At the Annual General Meeting held on 28 June 2013, 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 2012.
- (ii) EX-date, entitlement date and payment date of the dividend are on 27 August 2013, 29 August 2013 and 27 September 2013 respectively.

LBS BINA GROUP BERHAD (518482-H)

B10. Earnings per share (“EPS”)

Basic EPS

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

	Current year period 30.06.2013	Preceding year period 30.06.2012
Profit attributable to Owners of the Parent (RM'000)		
- continuing operations	24,661	20,974
- discontinued operations	2,259	(1,477)
	<u>26,920</u>	<u>19,497</u>
Weighted average number of ordinary shares in issue ('000)	<u>380,855</u>	<u>385,275</u>
Basic EPS (sen)		
- continuing operations	6.48	5.44
- discontinued operations	0.59	(0.38)
Total	<u>7.07</u>	<u>5.06</u>

Diluted EPS

The calculation of the diluted earnings per share is based on the profit/ (loss) attributable to the Owners of the Parent and divided by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining options under Warrants and the ESOS granted, adjusted for the number of such shares that would have been issued at fair value:-

	Current year period 30.06.2013	Preceding year period 30.06.2012
Profit attributable to Owners of the Parent (RM'000)		
- continuing operations	24,661	20,974
- discontinued operations	2,259	(1,477)
	<u>26,920</u>	<u>19,497</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>381,065</u>	<u>385,275</u>
Diluted EPS (sen)		
- continuing operations	6.47	#
- discontinued operations	0.59	#
Total	<u>7.06</u>	<u>-</u>

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.

LBS BINA GROUP BERHAD (518482-H)

B11. Notes to the Statement of Comprehensive Income

	Current quarter 30.06.2013 RM'000	Current Period to date 30.06.2013 RM'000
Depreciation	(762)	(1,372)
Impairment of goodwill arising on consolidation	(2,500)	(5,000)
Property, plant and equipment written off	(4)	(8)
Gain on disposal of non-current assets classified as held for sale	-	80
Gain on disposal of property, plant and equipment	78	78
Gain on disposal of subsidiary company	271	271
Fair value adjustment on non-current liabilities	623	1,012
Unrealised gain on foreign exchange	183	217

B12. Realised and unrealised profits / (losses)

	Unaudited 30.06.2013 RM '000	Audited 31.12.2012 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:-		
- Realised	273,976	232,001
- Unrealised	(29,181)	(23,943)
	<hr/> 244,795	<hr/> 208,058
Total share of accumulated losses from associated companies: -		
- Realised	(257)	(576)
- Unrealised	-	-
	<hr/> 244,538	<hr/> 207,482
Less : Consolidation adjustments	(150,283)	(140,187)
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 94,255	<hr/> <hr/> 67,295

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 August 2013