



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

Interim Financial Report

31 March 2014

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

- For the financial period ended 31 March 2014

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2014 RM'000	Preceding Year Quarter 31.03.2013 RM'000	Current Year To date 31.03.2014 RM'000	Preceding Year To date 31.03.2013 RM'000
Continuing operations					
Revenue		145,423	108,203	145,423	108,203
Cost of sales		(103,153)	(74,675)	(103,153)	(74,675)
Gross profit		42,270	33,528	42,270	33,528
Interest Income		1,197	917	1,197	917
Other income		1,022	1,427	1,022	1,427
Operating expenses		(22,761)	(16,010)	(22,761)	(16,010)
Finance costs		(3,611)	(3,724)	(3,611)	(3,724)
Share of results of associates		(15)	(2)	(15)	(2)
Profit before taxation		18,102	16,136	18,102	16,136
Taxation	B5	(7,533)	(6,035)	(7,533)	(6,035)
Profit from continuing operations		10,569	10,101	10,569	10,101
Discontinued operations					
Profit from discontinued operations		-	2,981	-	2,981
Profit for the financial period		10,569	13,082	10,569	13,082
Profit attributable to: -					
Equity holders of the Company		11,190	12,704	11,190	12,704
Non-controlling interests		(621)	378	(621)	378
		10,569	13,082	10,569	13,082
Earnings per share attributable to equity holders of the Company					
Basic (sen)	B12				
- continuing operations		2.38	2.86	2.38	2.86
- discontinued operations		-	0.47	-	0.47
Total		2.38	3.33	2.38	3.33
Diluted (sen)	B12				
- continuing operations		2.21	2.86	2.21	2.86
- discontinued operations		-	0.47	-	0.47
Total		2.21	3.33	2.21	3.33

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 31 March 2014 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2014 RM'000	Preceding Year Quarter 31.03.2013 RM'000	Current Year To date 31.03.2014 RM'000	Preceding Year To date 31.03.2013 RM'000
Profit for the financial period	10,569	13,082	10,569	13,082
Other comprehensive income, net of tax:				
Foreign currency translation difference	(1,140)	4,649	(1,140)	4,649
Total comprehensive income for the financial period	<u>9,429</u>	<u>17,731</u>	<u>9,429</u>	<u>17,731</u>
Total comprehensive income attributable to:				
Equity holders of the Company	9,896	15,928	9,896	15,928
Non-controlling interests	(467)	1,803	(467)	1,803
	<u>9,429</u>	<u>17,731</u>	<u>9,429</u>	<u>17,731</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 2013 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 March 2014

	Note	31.03.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	207,530	212,750
Capital work-in-progress		-	3,306
Investment properties		11,562	6,524
Land and property development costs		395,135	392,463
Investment in associate companies		2,978	2,993
Trade and other receivables		13,726	13,726
Promissory note		218,373	219,099
Other investments		134,196	138,449
Goodwill on consolidation		94,155	94,155
Deferred tax assets		938	855
		1,078,593	1,084,320
Current Assets			
Inventories		22,597	22,575
Land and property development costs		242,365	237,730
Accrued billing in respect of property development costs		116,402	71,047
Trade and other receivables		191,086	197,813
Tax recoverable		6,771	5,712
Promissory note		100,240	100,573
Fixed deposits with licensed banks		34,619	152,757
Cash held under Housing Development Accounts		68,982	57,978
Cash and bank balances		87,682	78,610
		870,744	924,795
Non-current assets classified as held for sale		697	697
		871,441	925,492
TOTAL ASSETS		1,950,034	2,009,812
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to equity holders of the company			
Share capital		480,289	479,651
Reserves		406,833	399,547
Treasury shares, at cost		(12,239)	(9,541)
		874,883	869,657
Non-controlling interests		2,516	2,983
Total Equity		877,399	872,640

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 31 March 2014 (cont'd)

	Note	31.03.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
Non-current Liabilities			
Trade and other payables		129,088	166,761
Finance lease payables	B9	3,068	3,303
Bank borrowings	B9	252,379	287,969
Islamic Securities	B9	20,000	30,000
Deferred tax liabilities		38,716	39,540
		443,251	527,573
Current Liabilities			
Progress billing in respect of property development costs		74,859	77,221
Trade and other payables		413,178	459,608
Finance lease payables	B9	956	1,019
Bank overdrafts	B9	640	762
Bank borrowings	B9	127,139	60,035
Tax payable		12,612	10,954
		629,384	609,599
Total Liabilities		1,072,635	1,137,172
TOTAL EQUITY AND LIABILITIES		1,950,034	2,009,812
Net Assets per share attributable to equity holders of the Company (RM)		1.85	1.84

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 31 March 2014

	←----- Attributable to Owners of the Parent -----→									<-Distributable->		
	<----- 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 Earnings RM'000	Sub-total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as at 1.1.2014	479,651	(9,541)	26,641	6,321	17,316	189	8,875	(75,644)	415,849	869,657	2,983	872,640
Amount recognised directly in equity:												
Profit for the financial period	-	-	-	-	-	-	-	-	11,190	11,190	(621)	10,569
Foreign currency translation	-	-	-	-	(1,294)	-	-	-	-	(1,294)	154	(1,140)
Total comprehensive income for the financial period	-	-	-	-	(1,294)	-	-	-	11,190	9,896	(467)	9,429
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(32)	-	-	32	-	-	-
Issuance of ordinary shares:												
- Exercise of ESOS	638	-	24	-	-	-	-	-	-	662	-	662
Fair value adjustment	-	-	-	-	-	-	-	(3,759)	-	(3,759)	-	(3,759)
Share based payment	-	-	-	1,125	-	-	-	-	-	1,125	-	1,125
Own shares acquired	-	(2,698)	-	-	-	-	-	-	-	(2,698)	-	(2,698)
Disposal of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	638	(2,698)	24	1,125	-	(32)	-	(3,759)	32	(4,670)	-	(4,670)
Balance as at 31.03.2014	480,289	(12,239)	26,665	7,446	16,022	157	8,875	(79,403)	427,071	874,883	2,516	877,399

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 31 March 2014 (*cont'd*)

	←----- Attributable to Owners of the Parent -----→									<-Distributable->	Non-controlling Interests RM'000	Total Equity RM'000
	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 Earnings 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 year	-	-	-	-	-	-	-	-	12,704	12,704	378	13,082
Foreign currency translation	-	-	-	-	3,224	-	-	-	-	3,224	1,425	4,649
Total comprehensive income for the financial period	-	-	-	-	3,224	-	-	-	12,704	15,928	1,803	17,731
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(15)	-	-	15	-	-	-
Acquisition of additional interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8)	(8)
Total transactions with owners	-	-	-	-	-	(15)	-	-	15	-	(8)	(8)
Balance as at 31.03.2013	386,553	(4,407)	16,945	3,259	13,495	296	14,952	(50,074)	80,014	461,033	83,521	544,554

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 2013 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 31 March 2014**

	Current Period Ended 31.03.2014 RM'000	Preceding Period Ended 31.03.2013 RM'000
Profit before taxation		
- continuing operations	18,102	16,136
- discontinued operations	-	2,999
Adjustments for :-		
Non-cash items	5,485	3,391
Other operating items	2,428	2,785
Operating profit before changes in working capital	<u>26,015</u>	<u>25,311</u>
Changes in land and property development costs	(4,320)	(3,823)
Changes in inventories	(22)	(107)
Changes in amount owing by/ to contract customers	(98)	(15)
Changes in receivables	6,667	19,591
Changes in payables	(21,369)	(30,092)
Changes in accrued / progress billing in respect of property development costs	(47,718)	28,805
Changes in foreign exchange reserve	464	1,765
Cash (used in) / generated from operations	<u>(40,381)</u>	<u>41,435</u>
Interest received	1,197	942
Interest paid	(6,598)	(7,592)
Tax paid	(9,313)	(7,873)
Tax refund	1,760	1,192
Net cash (used in) / generated from operating activities	<u>(53,335)</u>	<u>28,104</u>
Investing Activities		
Purchase of property, plant and equipment	(873)	(877)
Purchase of investment properties	(303)	-
Proceeds from disposal of property, plant and equipment	1	1
Proceeds from disposal of non-current asset held for sale	-	4,580
Repayment of prior year investment in associate and subsidiary companies	(12,738)	(2,594)
Capital work-in-progress incurred	(2,279)	(303)
Net cash (used in) / generated from investing activities	<u>(16,192)</u>	<u>807</u>
Financing Activities		
Decrease in fixed deposit pledged	5,583	12,088
Decrease in cash and bank balances pledged	880	20
Drawdown of borrowings	63,714	21,380
Repayment of borrowings	(79,322)	(52,155)
Repayment of Islamic Securities	(10,000)	(15,000)
Repayment of finance lease payables	(299)	(237)
Purchase of treasury shares	(2,698)	-
Proceeds from exercise of ESOS	661	-
Net cash used in financing activities	<u>(21,481)</u>	<u>(33,904)</u>

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
- For the financial period ended 31 March 2014 (cont'd)

	Current Period Ended 31.03.2014 RM'000	Preceding Period Ended 31.03.2013 RM'000
Net decrease in cash and cash equivalents	(91,008)	(4,993)
Cash and cash equivalents at the beginning of financial period	267,439	45,901
Effect of exchange rate changes	(69)	205
Cash and cash equivalents at the end of financial period	<u>176,362</u>	<u>41,113</u>
Cash and cash equivalents comprise:-		
Continuing operations		
Fixed deposits with licensed banks	34,619	28,473
Cash held under Housing Development Accounts	68,982	27,090
Cash and bank balances	87,682	16,905
Bank overdrafts	(640)	(21,083)
	<u>190,643</u>	<u>51,385</u>
Less : Fixed deposits pledged with licensed banks	(9,350)	(28,473)
Cash and bank balances pledged	(4,931)	(2,489)
	<u>176,362</u>	<u>20,423</u>
Discontinued operations		
Cash and bank balances	-	20,690
	<u>176,362</u>	<u>41,113</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 2013 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 2013. 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 2013.

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") issued by Malaysia Accounting Standard Board ("MASB") that are

The Group and the Company have not applied the following MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		<u>Effective date for financial periods beginning on or after</u>
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
Amendments to FRSs contained in the document entitled "Annual Improvements 2010 – 2012 Cycle"		1 July 2014
Amendments to FRSs contained in the document entitled "Annual Improvements 2011 – 2013 Cycle"		1 July 2014
Amendment to FRS 7	Mandatory Date of FRS 9 and Transition Disclosures	To be announced
FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced

The Group and the Company intends to adopt the above FRSs when they become effective.

A2. Changes in accounting policies (*Cont'd*)

The initial applications of the abovementioned FRSs are not expected to have any significant impacts on the financial statements of the Group and the Company except as mentioned below:

FRS 9 Financial Instruments

FRS 9 (IFRS 9 (2009)) replaces the guidance in FRS 139 Financial Instruments: Recognition and Measurement on classification and measurement of financial asset. FRS 9 requires financial asset to be measured at fair value or amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

FRS 9 (IFRS 9 (2010)) includes the requirements for the classification and measurement of financial liabilities and for derecognition. Measurement for financial liability designated as at fair value through profit or loss, requires the amount of change in the fair value of the financial liability, that is attributable to the change of credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Under FRS 139, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The adoption of FRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting FRS 9.

New Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, Malaysian Accounting Standards Board ("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 until the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope of Transitioning Entities and accordingly, 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 its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

The Group and the Company are 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 2013 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2015.

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A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not subject to any qualification.

A4. Seasonal or cyclical factors

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

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

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

A6. Material changes in estimates

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

A7. Debt and equity securities

There were no issuances, repurchases, cancellations, resale and repayments of debts and equity securities during the current financial period-to-date, save and except as follows:-

- (i) Issuance of shares pursuant to the Company's Employee Share Option Scheme ("ESOS")
The Company has issued and allotted 368,500 and 252,800 and 16,000 ordinary shares of RM1.00 each for cash at RM1.00 and RM1.081 and RM1.218 per share respectively arising from the exercise of options granted under the ESOS.
- (ii) Share buyback by the Company
The Company repurchased 1,748,900 of its issued shares from the open market for a total consideration of RM2,698,048 and held as Treasury Shares.

A8. Dividend paid

There was no dividend paid during the quarter under review.

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information

Period ended 31 March 2014

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Racing Circuit RM'000	Elimination RM'000	Total Continuing Operations RM'000	Discontinued Operations RM'000	Consolidated RM'000
REVENUE								
External revenue	137,001	-	5,280	3,142	-	145,423	-	145,423
Inter-segment	-	63,706	14,222	-	(77,928)	-	-	-
Total Revenue	137,001	63,706	19,502	3,142	(77,928)	145,423	-	145,423
RESULTS								
Segment results	27,437	(16)	(3,007)	(3,883)	-	20,531	-	20,531
Interest income	682	-	491	24	-	1,197	-	1,197
Finance costs	(3,336)	-	(490)	215	-	(3,611)	-	(3,611)
Share of results of associates	-	-	(15)	-	-	(15)	-	(15)
Profit / (loss) before taxation	24,783	(16)	(3,021)	(3,644)	-	18,102	-	18,102
Taxation	(7,699)	-	(191)	357	-	(7,533)	-	(7,533)
Profit/ (loss) for the financial period	17,084	(16)	(3,212)	(3,287)	-	10,569	-	10,569
Assets								
Additional to non-current assets	9,048	399	-	86	-	9,533	-	9,533
Segment assets	1,171,404	42,381	520,593	215,656	-	1,950,034	-	1,950,034
Other non-cash expenses								
Depreciation	748	3	24	3,117	-	3,892	-	3,892
Property, plant and equipment written off	4	1	-	-	-	5	-	5
Unrealised loss on foreign exchange	-	-	390	520	-	910	-	910
Share based payment	-	-	1,125	-	-	1,125	-	1,125
Other non-cash income								
Unrealised gain on foreign exchange	-	-	(435)	(11)	-	(446)	-	(446)

LBS BINA GROUP BERHAD (518482-H)
A9. Segment information (*Cont'd*)
Period ended 31 March 2013

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Racing Circuit RM'000	Elimination RM'000	Total Continuing Operations RM'000	Discontinued Operations RM'000	Consolidated RM'000
REVENUE								
External revenue	106,025	-	2,178	-	-	108,203	8,423	116,626
Inter-segment	-	41,535	18,848	-	(60,383)	-	-	-
Total Revenue	106,025	41,535	21,026	-	(60,383)	108,203	8,423	116,626
RESULTS								
Segment results	18,939	(54)	60	-	-	18,945	2,974	21,919
Interest income	603	-	314	-	-	917	25	942
Finance costs	(2,336)	-	(1,388)	-	-	(3,724)	-	(3,724)
Share of results of associates	-	-	(2)	-	-	(2)	-	(2)
Profit / (loss) before taxation	17,206	(54)	(1,016)	-	-	16,136	2,999	19,135
Taxation	(6,142)	(24)	131	-	-	(6,035)	(18)	(6,053)
Profit/ (loss) for the financial period	11,064	(78)	(885)	-	-	10,101	2,981	13,082
Assets								
Additional to non-current assets	13,368	97	-	-	-	13,465	194	13,659
Segment assets	1,051,377	30,112	56,479	-	-	1,137,968	288,526	1,426,494
Other non-cash expenses								
Depreciation	595	3	13	-	-	611	-	611
Property, plant and equipment written off	4	-	-	-	-	4	-	4
Impairment on goodwill in subsidiary companies	2,500	-	-	-	-	2,500	-	2,500
Unrealised loss on foreign exchange	-	-	72	-	-	72	41	113
Other non-cash income								
Unrealised gain on foreign exchange	-	-	(99)	-	-	(99)	(47)	(146)
Gain on disposal of non-current assets classified as held for sale	-	(80)	-	-	-	(80)	-	(80)
Fair value adjustment on non-current assets and non-current liabilities, net	(390)	-	-	-	-	(390)	-	(390)

LBS BINA GROUP BERHAD (518482-H)

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 1 January 2014, a total of 257,450 Shares Options under ESOS were granted at the subscription price of RM1.430 to the eligible employees under the Eighth Grant of the ESOS.
- (ii) On 1 February 2014, a total of 162,300 Shares Options under ESOS were granted at the subscription price of RM1.350 to the eligible employees under the Ninth Grant of the ESOS.
- (iii) On 1 March 2014, a total of 706,450 Shares Options under ESOS were granted at the subscription price of RM1.550 to the eligible employees under the Tenth Grant of the ESOS.

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 1 April 2014, a total of 132,550 Shares Options under ESOS were granted at the subscription price of RM1.550 to the eligible employees under the Eleventh Grant of the ESOS.
- (ii) On 7 April 2014, RHB Investment Bank Berhad (“RHBIB”) announced for and on behalf of the Company that Bursa Malaysia Securities Berhad (“Bursa Securities”) has vide its letter dated 4 April 2014 approved the listing and quotation for up to 58,349,303 new ordinary shares of RM1.00 each (“Placement Shares”) pursuant to Section 132D of the Companies Act, 1965 (“Private Placement”).

Subsequently, on 2 May 2014, RHBIB announced that a total of 20,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Securities. Accordingly, the total issued and paid-up share capital of the Company has increased by additional 20,000,000 ordinary shares of RM1.00 each.

- (iii) On 16 April 2014, Pelangi Homes Sdn. Bhd. (“PHSB”), a wholly-owned subsidiary of LBS Bina Holdings Sdn. Bhd. (“LBS”) has increased its issued and paid-up share capital from 2,700,100 to 12,000,000 ordinary shares of RM1.00 each. LBS has subscribed for an additional of 9,299,900 ordinary shares of RM1.00 each in PHSB by way of capitalization.
- (iv) On 24 April 2014, MITC Engineering Sdn. Bhd. (“MITCE”), a 65% subsidiary of MITC Sdn. Bhd. (“MITC”), an indirectly wholly-owned subsidiary of the Company has increased its paid-up share capital from 750,000 to 1,000,000 ordinary shares of RM1.00 each. MITC has subscribed for 162,500 ordinary shares of RM1.00 each in MITCE. MITCE remained as 65% subsidiary of MITC.
- (v) On 30 April 2014, LBS has subscribed for 150,000 ordinary shares of RM1.00 each in Bimbingan Sumber Sdn. Bhd. (“BSSB”), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000.00) only. Consequently, BSSB became a 30% associate company of LBS.

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A12. Material subsequent events (*cont'd*)

- (vi) On 1 May 2014, a total of 315,200 Shares Options under ESOS were granted at the subscription price at RM1.61 to the eligible employees under the Twelfth Grant of the ESOS.
- (vii) On 07 May 2014, MITC acquired additional 100,000 ordinary shares of RM1.00 each in MITCE for a total cash consideration of Ringgit Malaysia Ten Million Six Hundred Thousand (RM10,600,000) only. Consequently, MITC's shareholding in MITCE has increased from 65% to 75%.

There were no material subsequent events as at 20 May 2014, 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

Capital commitments not provided for in the interim financial report as at 31 March 2014 were as follows:

	Amount RM'000
Approved and contracted for property development:	
- Cost Sharing Agreement	7,677
- Sales and Purchase Agreements	129,888
- Joint Venture Agreements	91,338
	<u>228,903</u>

A14. Changes in contingent assets or contingent liabilities

	31.03.2014 RM'000	31.03.2013 RM'000
Bank guarantees issued for property development	<u>13,652</u>	<u>13,670</u>

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

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A15. Significant related party transactions

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

	Amount RM'000
Income	
Sale of development properties	6,820
Rental income	4
Rendering of insurance services	17
Expense	
Contractor fee	3,001
Legal fees	97
Rental expenses	36

The nature and relationship between the Group and the related parties were 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) Persons who have financial interest in subsidiary companies; and
- (iv) Directors and key management personnel of the Company or its subsidiaries and their close family members.

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

B1. Review of Group performance

For the current quarter under review, the Group recorded revenue and profit before tax ("PBT") of approximately RM145 million and RM18 million respectively. These represent 34% increase in revenue and 12% increase in PBT over the results achieved in the corresponding quarter in year 2013.

The improved revenue and PBT for the current quarter was mainly attributable to profit contribution from the on-going projects such as Pearl Villa, Royal Ivory, Royal Ivory 2, Royal Garden, BSP Skypark, I Hub Puchong in Bandar Saujana Putra, D' Island Residence in Puchong, Brinchang Square, Barrington Square and SomerSquare in Cameron Highlands and Min Garden, Emerald Garden and Magma Garden in Batu Pahat.

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

For the current quarter under review, the Group's revenue and PBT were approximately RM145 million and RM18 million respectively as compared to the revenue and PBT of approximately RM156 million and RM29 million respectively in the immediate preceding quarter.

The higher PBT in immediate preceding quarter was mainly attributable to the gain arising from the disposal and acquisition of subsidiaries.

B3. Prospects for the current financial year

With the Group's 18 ongoing projects and unbilled sales of approximately RM715 million as at 30 April 2014, the Group is confident of achieving further improvement in its performance for the financial year ending 31 December 2014.

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

The breakdown of tax charges were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.03.2014 RM'000	Preceding year Quarter 31.03.2013 RM'000	Current year To date 31.03.2014 RM'000	Preceding year To date 31.03.2013 RM'000
<u>Continuing operations:</u>				
Current year's provision	7,994	6,996	7,994	6,996
Over provision	(13)	-	(13)	-
Deferred taxation	(448)	(961)	(448)	(961)
Total tax expense	<u>7,533</u>	<u>6,035</u>	<u>7,533</u>	<u>6,035</u>

The effective tax rate of the Group for the current quarter and financial period to date quarter 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 difference.

B6. Status of corporate proposals announced but not completed

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 20 May 2014, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :-

- (i) On 23 January 2014, the Company's wholly-owned subsidiary, Equal Sign Sdn Bhd entered into a Joint Venture Agreement ("JVA") with Triple Equity Sdn Bhd (Company No. 722979-U), the registered proprietor of a leasehold parcel of land (with the lease expiring on 21st November 2089) measuring 21,660 square metres and held under No. Hakmilik PM 1174, Lot 11844, Mukim Bentong, Daerah Bentong, Negeri Pahang (the "Development Land") to jointly develop the Development Land into a mixed development comprising 610 units of fully furnished service apartments under 3 blocks with various sizes and a hotel block with 186 rooms ("Proposed Development") at a total consideration of fifteen per centum (15%) of the units of property under the Proposed Development including cash payment of RM2,500,000.00 forming part of the total consideration and upon the terms and conditions as stipulated in the JVA.

This Agreement has not been completed pending completion of the Condition Precedents therein.

- (ii) On 14 February 2014, Sinaran Restu Sdn Bhd ("Purchaser"), an indirect wholly-owned subsidiary of the Company, has entered into Two (2) Sale and Purchase Agreements ("SPAs") with Lembaga Kumpulan Wang Simpanan Pekerja ("KWSP" or "Vendor") for acquiring the following two pieces of 99-year leasehold land (expiring in November 2099) situated in Bandar Johor Bahru, Daerah Johor Bahru in the State of Johor ("the EPF Lands") from KWSP for a total consideration of RM71,280,000.00 ("Acquisition"):-

- a) PN 38855 Lot 24962 measuring approximately 3,498 square meters; and
- b) PN 38876 Lot 24963 measuring approximately 14,016 square meters.

B6. Status of corporate proposals announced but not completed (cont'd)

The SPAs are conditional upon the fulfilment of the following Condition Precedents on or before three (3) months from the date of the SPAs subject to an automatic extension of three (3) months ("Approval Period") or any further approved extension by KWSP ("Extended Approval Period"):

- a) State Authority Consent approving the transfer of the EPF Lands from the Vendor to the Purchaser; and
- b) the Economic Planning Unit approval being obtained for the acquisition of the EPF Lands by the Purchaser.

This Agreement has not been completed pending completion of the Condition Precedents therein.

- (iii) On 17 February 2014, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the participation of the Company in the Regularisation Plan of VTI Vintage Berhad (Company No. : 589167-W) ("VVB") to subscribe the following interests in VVB for a total consideration of up to RM13,435,323.00 pursuant to VVB's amended Proposed Regularisation Plan approved by Bursa Securities :-

- (i) 8,000,000 new ordinary shares of RM0.50 each in VVB at an issue price of RM0.50 each pursuant to VVB's Proposed Private Placement (equivalent to RM4,000,000.00);
- (ii) 8,000,000 new ordinary shares of RM0.50 each in VVB at an issue price of RM0.50 together with warrants on the basis of 1 warrant for every 2 rights shares held pursuant to VVB's Proposed Rights Issue with Warrants (equivalent to RM4,000,000.00); and
- (iii) undertake to the subscription of up to 10,870,646 unsubscribed rights shares pursuant to VVB's Proposed Rights Issue with Warrants (equivalent up to RM5,435,323.00).

(hereinafter collectively referred to as the "Proposed Subscription").

Shareholders of VVB has approved the Regularisation Plan at an Extraordinary General Meeting and Court Convened Meeting held on 23 May 2014.

- (iv) On 19 March 2014, RHB Investment Bank Berhad ("RHBIB") announced for and on behalf of the Company that the Company proposed to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company to the potential third party investors to be identified ("Private Placement").

On 7 April 2014, RHBIB announced that Bursa Securities has vide its letter dated 4 April 2014 approved the listing and quotation for up to 58,349,303 new ordinary shares of RM1.00 each ("Placement Shares") upon the terms and conditions therein contained.

On 24 April 2014, RHBIB announced the price fixing for 20,000,000 Placement Shares under the First Tranche of the Private Placement at RM1.70 per Placement Share, represents a discount of approximately 6.1% to the five (5)-day weighted average market price of the Company's shares, successfully placed out to the third party investors.

On 2 May 2014, RHBIB announced that the 20,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Securities. This also marked the completion of Tranche 1 of the Private Placement.

B6. Status of corporate proposals announced but not completed (*cont'd*)

- (v) On 26 March 2014, the Company's wholly-owned subsidiary, Intellview Sdn Bhd entered into a Conditional Sale and Purchase Agreement ("CSPA") with Laser Plus Sdn Bhd for the acquisition of all that piece of leasehold land known as Country Lease No. 015005991, Tanjong Lipat, Jesselton in the District of West Coast in the State of Sabah measuring an area 6.25 acres for purchase consideration of Ringgit Malaysia Seventy Two Million and Five Hundred Thousand (RM72,500,000.00) only upon the terms and conditions as stipulated in the CSPA.

This Agreement has not been completed pending completion of the Condition Precedents therein.

- (vi) On 21 April 2014, Koleksi Sigma Sdn Bhd, a subsidiary of the Company entered into a Joint Development Agreement ("JDA") with YPJ Multi Ventures Sdn Bhd (Company No. 268101-X) for the proposed joint development project to develop 3 pieces of land with total land area measuring 10.6 acres in Tampoi, Johor upon the terms and conditions as stipulated in the JDA.

This Agreement has not been completed pending completion of the Condition Precedents therein.

- (vii) On 7 May 2014, MITC Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") with Lim Lit Chek ("Richard Lim") for the acquisition of 100,000 ordinary shares of RM1.00 each representing 10% of the equity interest in MITC Engineering Sdn Bhd from Richard Lim for a total cash consideration of Ringgit Malaysia Ten Million and Six Hundred Thousand (RM10,600,000.00) only upon the terms and conditions as stipulated in the SSA.

This Agreement has not been completed pending completion of the full settlement of Consideration Sum.

B7. Utilisation of proceeds from disposal

On 12 August 2013 ("completion date"), the Company has announced the completion of proposed disposal of 100% equity interest in Lamdeal Consolidated Development Ltd and Lamdeal Golf & Country Club Ltd to Jiuzhou Tourism Property Company Limited, a wholly owned subsidiary of Zhuhai Holdings Investment Group Limited ("Zhuhai Holdings") for an aggregate sale consideration of HKD1.65 billion.

Total sale consideration shall be satisfied by cash of HKD500 million, new Zhuhai Holdings shares and deferred cash payment of HKD850 million from Promissory Notes.

The Board is expected to disclose the detailed plan for the proposed utilisation of the deferred cash payment three months before the target receipt of each tranche of the deferred cash payment.

Cash proceeds of HKD500 million has been received on completion date.

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B7. Utilisation of proceeds from disposal (*cont'd*)

The status of the utilisation of cash proceeds of HKD500 million as at 20 May 2014, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report was as follows:

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Intended Timeframe for Utilisation
		HKD'000	RM'000	RM'000	RM'000	RM'000	%	
Potential investment	1,2,4	174,376	73,046	(49,875)	23,171	-	-	Within 1 year
Operating expenses	1,2,4	58,125	24,349	(12,048)	12,301	-	-	Within 1 year
Miscellaneous expenses	1,2,4	1,499	628	(62)	566	-	-	Within 1 year
Reduction of bank borrowings	1,2,3	121,095	50,727	(65,331)	(14,604)	(14,604)	-29%	Within 1 year
Reduction of other payables	1,2,4	128,905	53,998	(37,716)	16,282	-	-	Within 1 year
Expenses in relation to the disposal	1,2,4	16,000	6,702	(3,773)	2,929	-	-	Within 1 month
Dividend	3	-	-	(36,630)	(36,630)	(36,630)	-100%	
		500,000	209,450	(205,435)	4,015	(51,234)	-	

Note :

- 1) Adopted the exchange rate of HKD1.00 : RM0.4189, being the closing rate as at completion date published by Bank Negara.
- 2) The proceeds balance is expected to be utilised within the intended timeframe from the receipt of the proceeds.
- 3) The shortfall in the funds allocated for repayment of bank borrowings and dividend payment will be funded from the funds allocated for other approved purposes.
- 4) Any unutilised proceeds has been placed in short term deposits until such relevant expenses have been identified.

B8. Utilisation of proceeds from proposed private placement

On 4 April 2014, Bursa Securities has approved the Proposed Private Placement exercise for the issuance of new ordinary shares up to 58,349,303 of RM1.00 each.

On 2 May 2014, Tranche 1 of the Private Placement Funds amounting to RM34.0 million has been raised by issuing 20.0 million new ordinary shares of RM1.00 each of the Company at an issue price of RM1.70 each.

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B8. Utilisation of proceeds from proposed private placement (*cont'd*)

The status of the utilisation of the proceeds from the Tranche 1 of Private Placement as at 20 May 2014, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report was as follows :-

	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Financing of new property development projects including additional land acquisition(s) and / or general working capital	33,473,078	(12,272,607)	21,200,471	Within 1 year
Estimated expenses in relation to the Proposed Private Placement	526,922	(526,922)	-	Within 1 year
	34,000,000	(12,799,529)	21,200,471	

B9. Borrowings and debt securities

Total Group borrowings and debt securities as at 31 March 2014 were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Finance lease payables	956	-	956
Bank overdrafts	640	-	640
Bank borrowings	127,139	-	127,139
Short term borrowings	128,735	-	128,735
Finance lease payables	3,068	-	3,068
Bank borrowings	252,379	-	252,379
Islamic commercial papers / Islamic medium term notes	20,000	-	20,000
Long term borrowings	275,447	-	275,447
Total borrowings	404,182	-	404,182

Currency exposure profiles of borrowings were as follow:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	266,498	-	266,498
Hong Kong Dollar	105,832	-	105,832
Chinese Renminbi	31,852	-	31,852
	404,182	-	404,182

B10. Changes in material litigation

There was no material litigation as at 20 May 2014, 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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B11. Dividend declared

The Company has declared an interim single tier dividend of 1.5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2013 which was paid on 23 May 2014 to depositors registered in the Record of Depositors on 9 May 2014.

The Board has recommended a final single tier dividend of 1.5 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2013. The proposed dividend is subject to the shareholders' approval at the forthcoming Fourteenth Annual General Meeting. The entitlement date to the final dividends shall be determined by the Board at a subsequent stage.

B12. Earnings per share ("EPS")

Basic EPS

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

	Current year to date 31.03.2014	Preceding year to date 31.03.2013
Profit attributable to equity holders of the Company (RM'000)		
- continuing operations	11,190	10,912
- discontinued operations	-	1,792
	<u>11,190</u>	<u>12,704</u>
Weighted average number of ordinary shares in issue ('000)	<u>470,902</u>	<u>381,216</u>
Basic EPS (sen)		
- continuing operations	2.38	2.86
- discontinued operations	-	0.47
Total	<u>2.38</u>	<u>3.33</u>

Diluted EPS

The calculation of the diluted earnings per share is based on the profit/ (loss) attributable to the equity holders of the Company 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 to date 31.03.2014	Preceding year to date 31.03.2013
Profit attributable to equity holders of the Company (RM'000)		
- continuing operations	11,190	10,912
- discontinued operations	-	1,792
	<u>11,190</u>	<u>12,704</u>
Adjusted weighted average number of ordinary shares in issue ('000)	505,829	381,216
Diluted EPS (sen)		
- continuing operations	2.21	# 2.86
- discontinued operations	-	# 0.47
Total	<u>2.21</u>	<u># 3.33</u>

The number of shares under ESOS and Warrants were 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)**B13. Notes to the Statement of Comprehensive Income**

	Current quarter 31.03.2014 RM'000	Current Period to date 31.03.2014 RM'000
Depreciation	3,892	3,892
Unrealised loss on foreign exchange	464	464
Property, plant and equipment written off	5	5
Share based payment	1,125	1,125

B14. Realised and unrealised profits / (losses)

	Unaudited 31.03.2014 RM '000	Audited 31.12.2013 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:-		
- Realised	708,641	698,835
- Unrealised	(1,839)	(1,376)
	<hr/>	<hr/>
	706,802	697,459
Total share of accumulated losses from associate companies: -		
- Realised	(280)	(288)
- Unrealised	-	-
	<hr/>	<hr/>
	706,522	697,171
Less : Consolidation adjustments	(279,451)	(281,324)
Total Group retained profits as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	427,071	415,847

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
27 May 2014