



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

**Interim Financial Report**

**30 June 2014**

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

**Interim Financial Report**

**30 June 2014**

|   | <b>Page No.</b> |
|---|-----------------|
| <b>Condensed Consolidated Income Statement</b>                  | <b>1</b>        |
| <b>Condensed Consolidated Statement of Comprehensive Income</b> | <b>2</b>        |
| <b>Condensed Consolidated Statement of Financial Position</b>   | <b>3 - 4</b>    |
| <b>Condensed Consolidated Statement of Changes in Equity</b>    | <b>5 - 6</b>    |
| <b>Condensed Consolidated Statement of Cash Flows</b>           | <b>7 - 8</b>    |
| <b>Notes to the Interim Financial Report</b>                    | <b>9 - 24</b>   |

**LBS BINA GROUP BERHAD (518482-H)**

**CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

**- For the financial period ended 30 June 2014**

|   | Note | Individual Quarter |                | Cumulative Period |                |
|---|------|--------------------|----------------|-------------------|----------------|
|   |      | Current Year       | Preceding Year | Current Year      | Preceding Year |
|   |      | Quarter            | Quarter        | To date           | To date        |
|   |      | 30.06.2014         | 30.06.2013     | 30.06.2014        | 30.06.2013     |
|   |      | RM'000             | RM'000         | RM'000            | RM'000         |
| <b>Continuing operations</b>  |      |                    |                |                   |                |
| Revenue   |      | 205,628            | 134,209        | 351,051           | 242,412        |
| Cost of sales   |      | (142,019)          | (92,508)       | (245,172)         | (167,183)      |
| Gross profit  |      | 63,609             | 41,701         | 105,879           | 75,229         |
| Interest Income   |      | 1,009              | 1,118          | 2,206             | 2,035          |
| Other income  |      | 584                | 1,565          | 1,606             | 2,992          |
| Operating expenses  |      | (30,689)           | (16,685)       | (53,449)          | (32,695)       |
| Finance costs   |      | (3,309)            | (4,306)        | (6,920)           | (8,030)        |
| Share of results of associates  |      | (12)               | (3)            | (27)              | (5)            |
| Profit before taxation  |      | 31,192             | 23,390         | 49,295            | 39,526         |
| Taxation  | B5   | (11,711)           | (7,872)        | (19,245)          | (13,907)       |
| Profit from continuing operations                                       |      | 19,481             | 15,518         | 30,050            | 25,619         |
| <b>Discontinued operations</b>  |      |                    |                |                   |                |
| Profit from discontinued operations                                     |      | -                  | 808            | -                 | 3,789          |
| Profit for the financial period   |      | 19,481             | 16,326         | 30,050            | 29,408         |
| Profit attributable to: -   |      |                    |                |                   |                |
| Equity holders of the Parent  |      | 19,751             | 14,216         | 30,941            | 26,920         |
| Non-controlling interests   |      | (270)              | 2,110          | (891)             | 2,488          |
|   |      | 19,481             | 16,326         | 30,050            | 29,408         |
| <b>Earnings per share attributable to equity holders of the Company</b> |      |                    |                |                   |                |
| Basic (sen)   | B12  |                    |                |                   |                |
| - continuing operations   |      | 4.10               | 3.61           | 6.43              | 6.48           |
| - discontinued operations   |      | -                  | 0.12           | -                 | 0.59           |
| Total   |      | 4.10               | 3.73           | 6.43              | 7.07           |
| Diluted (sen)   | B12  |                    |                |                   |                |
| - continuing operations   |      | 3.83               | 3.61           | 6.00              | 6.47           |
| - discontinued operations   |      | -                  | 0.12           | -                 | 0.59           |
| Total   |      | 3.83               | 3.73           | 6.00              | 7.06           |

*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 30 June 2014 (cont'd)**

|   | Individual Quarter |                | Cumulative Period |                |
|---|--------------------|----------------|-------------------|----------------|
|   | Current Year       | Preceding Year | Current Year      | Preceding Year |
|   | Quarter            | Quarter        | To date           | To date        |
|   | 30.06.2014         | 30.06.2013     | 30.06.2014        | 30.06.2013     |
|   | RM'000             | RM'000         | RM'000            | RM'000         |
| Profit for the financial period                     | 19,481             | 16,326         | 30,050            | 29,408         |
| Other comprehensive income, net of tax:             |                    |                |                   |                |
| Foreign currency translation difference             | (6,906)            | 9,783          | (8,046)           | 14,432         |
| Total comprehensive income for the financial period | <u>12,575</u>      | <u>26,109</u>  | <u>22,004</u>     | <u>43,840</u>  |
| <b>Total comprehensive income attributable to:</b>  |                    |                |                   |                |
| Equity holders of the Parent                        | 12,608             | 21,097         | 22,504            | 37,025         |
| Non-controlling interests                           | (33)               | 5,012          | (500)             | 6,815          |
|   | <u>12,575</u>      | <u>26,109</u>  | <u>22,004</u>     | <u>43,840</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 30 June 2014**

|  | Note | 30.06.2014<br>(Unaudited)<br>RM'000 | 31.12.2013<br>(Audited)<br>RM'000 |
|--|------|-------------------------------------|-----------------------------------|
| <b><u>ASSETS</u></b>                                       |      |                                     |                                   |
| <b>Non-current Assets</b>                                  |      |                                     |                                   |
| Property, plant and equipment                              | A10  | 202,345                             | 212,750                           |
| Capital work-in-progress                                   |      | -                                   | 3,306                             |
| Land and property development costs                        |      | 408,718                             | 392,463                           |
| Investment properties                                      |      | 11,829                              | 6,524                             |
| Investment in associate companies                          |      | 3,116                               | 2,993                             |
| Trade and other receivables                                |      | 11,661                              | 13,726                            |
| Promissory note  |      | 214,897                             | 219,099                           |
| Other investments  |      | 111,521                             | 138,449                           |
| Goodwill on consolidation                                  |      | 92,199                              | 94,155                            |
| Deferred tax assets  |      | 847                                 | 855                               |
|  |      | 1,057,133                           | 1,084,320                         |
| <b>Current Assets</b>                                      |      |                                     |                                   |
| Land and property development costs                        |      | 231,955                             | 237,730                           |
| Inventories  |      | 21,379                              | 22,575                            |
| Accrued billing in respect of property development costs   |      | 183,956                             | 71,047                            |
| Trade and other receivables                                |      | 210,570                             | 197,813                           |
| Promissory note  |      | 98,645                              | 100,573                           |
| Tax recoverable  |      | 6,921                               | 5,712                             |
| Fixed deposits with licensed banks                         |      | 41,709                              | 152,757                           |
| Cash held under Housing Development Accounts               |      | 48,379                              | 57,978                            |
| Cash and bank balances                                     |      | 72,898                              | 78,610                            |
|  |      | 916,412                             | 924,795                           |
| Non-current assets classified as held for sale             |      | 697                                 | 697                               |
|  |      | 917,109                             | 925,492                           |
| <b>TOTAL ASSETS</b>  |      | 1,974,242                           | 2,009,812                         |
| <b><u>EQUITY AND LIABILITIES</u></b>                       |      |                                     |                                   |
| <b>Equity attributable to equity holders of the Parent</b> |      |                                     |                                   |
| Share capital  |      | 507,702                             | 479,651                           |
| Treasury shares, at cost                                   |      | (12,274)                            | (9,541)                           |
| Reserves   |      | 398,802                             | 399,547                           |
|  |      | 894,230                             | 869,657                           |
| <b>Non-controlling interests</b>                           |      | (3,185)                             | 2,983                             |
| <b>Total Equity</b>  |      | 891,045                             | 872,640                           |

**LBS BINA GROUP BERHAD (518482-H)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**- As at 30 June 2014 (cont'd)**

|  | Note | 30.06.2014<br>(Unaudited)<br>RM'000 | 31.12.2013<br>(Audited)<br>RM'000 |
|--|------|-------------------------------------|-----------------------------------|
| <b>Non-current Liabilities</b>   |      |                                     |                                   |
| Trade and other payables   |      | 137,998                             | 166,761                           |
| Islamic Securities   | B9   | 20,000                              | 30,000                            |
| Bank borrowings  | B9   | 262,773                             | 287,969                           |
| Finance lease payables   | B9   | 3,604                               | 3,303                             |
| Deferred tax liabilities   |      | 37,729                              | 39,540                            |
|  |      | 462,104                             | 527,573                           |
| <b>Current Liabilities</b>   |      |                                     |                                   |
| Progress billing in respect of property development costs                      |      | 88,581                              | 77,221                            |
| Trade and other payables   |      | 413,347                             | 459,608                           |
| Bank overdrafts  | B9   | 7,578                               | 762                               |
| Finance lease payables   | B9   | 1,045                               | 1,019                             |
| Bank borrowings  | B9   | 92,731                              | 60,035                            |
| Tax payable  |      | 17,811                              | 10,954                            |
|  |      | 621,093                             | 609,599                           |
| <b>Total Liabilities</b>   |      | 1,083,197                           | 1,137,172                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | 1,974,242                           | 2,009,812                         |
| <b>Net Assets per share attributable to equity holders of the Company (RM)</b> |      | 1.79                                | 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 30 June 2014

|   | ←----- Attributable to Owners of the Parent -----→ |                              |                            |                           |  |                                  |                              |                            |                                |                     | Total<br>Equity<br>RM'000              |          |
|---|--|------------------------------|----------------------------|---------------------------|--|----------------------------------|------------------------------|----------------------------|--------------------------------|---------------------|--|----------|
|   | <----- Non-distributable ----->                    |                              |                            |                           |  | <-Distributable->                |                              |                            |                                |                     |  |          |
|   | Share<br>Capital<br>RM'000                         | Treasury<br>Shares<br>RM'000 | Share<br>Premium<br>RM'000 | ESOS<br>Reserve<br>RM'000 | Foreign<br>Exchange<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Other<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Sub-total<br>RM'000 | Non-controlling<br>Interests<br>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                     | -  | -                            | -                          | -                         | -  | -                                | -                            | -                          | 30,941                         | 30,941              | (891)                                  | 30,050   |
| Foreign currency translation                        | -  | -                            | -                          | -                         | (8,437)                                  | -                                | -                            | -                          | -                              | (8,437)             | 391                                    | (8,046)  |
| Total comprehensive income for the financial period | -  | -                            | -                          | -                         | (8,437)                                  | -                                | -                            | -                          | 30,941                         | 22,504              | (500)                                  | 22,004   |
| Transactions with owners:                           |  |                              |                            |                           |  |                                  |                              |                            |                                |                     |  |          |
| Realisation of subsidiary company's reserve         | -  | -                            | -                          | -                         | -  | (121)                            | -                            | -                          | 121                            | -                   | -                                      | -        |
| Net changes of non-controlling interests            | -  | -                            | -                          | -                         | -  | -                                | -                            | -                          | -                              | -                   | (2,538)                                | (2,538)  |
| Changes in ownership interest in subsidiaries       | -  | -                            | -                          | -                         | -  | -                                | -                            | (7,975)                    | -                              | (7,975)             | -                                      | (7,975)  |
| Issuance of ordinary shares:                        |  |                              |                            |                           |  |                                  |                              |                            |                                |                     |  |          |
| - Exercise of ESOS                                  | 1,016  | -                            | 52                         | -                         | -  | -                                | -                            | -                          | -                              | 1,068               | -                                      | 1,068    |
| - Exercise of warrants                              | 7,035  | -                            | 704                        | -                         | -  | -                                | (704)                        | -                          | -                              | 7,035               | -                                      | 7,035    |
| - Placement   | 20,000   | -                            | 14,000                     | -                         | -  | -                                | -                            | -                          | -                              | 34,000              | -                                      | 34,000   |
| Fair value adjustment                               | -  | -                            | -                          | -                         | -  | -                                | -                            | (24,061)                   | -                              | (24,061)            | -                                      | (24,061) |
| Share based payment                                 | -  | -                            | -                          | 2,212                     | -  | -                                | -                            | -                          | -                              | 2,212               | -                                      | 2,212    |
| Own shares acquired                                 | -  | (2,733)                      | -                          | -                         | -  | -                                | -                            | -                          | -                              | (2,733)             | -                                      | (2,733)  |
| Dividends paid to non-controlling interest          | -  | -                            | -                          | -                         | -  | -                                | -                            | -                          | -                              | -                   | (3,130)                                | (3,130)  |
| Dividends paid                                      | -  | -                            | -                          | -                         | -  | -                                | -                            | -                          | (7,477)                        | (7,477)             | -                                      | (7,477)  |
| Disposal of treasury shares                         | -  | -                            | -                          | -                         | -  | -                                | -                            | -                          | -                              | -                   | -                                      | -        |
| Total transactions with owners                      | 28,051   | (2,733)                      | 14,756                     | 2,212                     | -  | (121)                            | (704)                        | (32,036)                   | (7,356)                        | 2,069               | (5,668)                                | (3,599)  |
| Balance as at 30.06.2014                            | 507,702  | (12,274)                     | 41,397                     | 8,533                     | 8,879                                    | 68                               | 8,171                        | (107,680)                  | 439,434                        | 894,230             | (3,185)                                | 891,045  |

**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 | Total Equity |
|---|--|---------------------------|-------------------------|------------------------|------------------------------------|-------------------------------|---------------------------|-------------------------|-----------------------------|---------------------|---------------------------|--------------|
|   | <----- Non-distributable ----->                    |                           |                         |                        |                                    |                               |                           |                         |                             |                     |                           |              |
|   | Share Capital<br>RM'000                            | Treasury Shares<br>RM'000 | Share Premium<br>RM'000 | ESOS Reserve<br>RM'000 | Foreign Exchange Reserve<br>RM'000 | Revaluation Reserve<br>RM'000 | Warrant Reserve<br>RM'000 | Other Reserve<br>RM'000 | Retained Earnings<br>RM'000 | Sub-total<br>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 year                       | -  | -                         | -                       | -                      | -                                  | -                             | -                         | -                       | 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 company'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      |

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 30 June 2014**

|  | <b>Current<br/>Period Ended<br/>30.06.2014<br/>RM'000</b> | <b>Preceding<br/>Period Ended<br/>30.06.2013<br/>RM'000</b> |
|--|---|---|
| Profit before taxation   |   |   |
| - continuing operations  | 49,295  | 39,526  |
| - discontinued operations  | -   | 3,784   |
| Adjustments for :-   |   |   |
| Non-cash items   | 12,875  | 6,655   |
| Other operating items  | 4,741   | 5,963   |
| Operating profit before changes in working capital                             | <u>66,911</u>   | <u>55,928</u>   |
| Changes in land and property development costs                                 | (5,806)   | (22,117)  |
| Changes in inventories   | 1,195   | (405)   |
| Changes in amount owing by/ to contract customers                              | 231   | 1,664   |
| Changes in receivables   | (17,631)  | 10,078  |
| Changes in payables  | (13,076)  | 955   |
| Changes in accrued / progress billing in respect of property development costs | (101,550)   | 59,687  |
| Changes in foreign exchange reserve  | 174   | 5,709   |
| Cash (used in) / generated from operations                                     | <u>(69,552)</u>   | <u>111,499</u>  |
| Interest received  | 2,206   | 2,072   |
| Interest paid  | (11,593)  | (14,518)  |
| Tax paid   | (16,376)  | (18,198)  |
| Tax refund   | 1,894   | 1,304   |
| Net cash (used in) / generated from operating activities                       | <u>(93,421)</u>   | <u>82,159</u>   |
| <b>Investing Activities</b>  |   |   |
| Purchase of property, plant and equipment                                      | (1,797)   | (3,200)   |
| Purchase of investment properties  | (101)   | -   |
| Proceeds from disposal of property, plant and equipment                        | 341   | 236   |
| Proceeds from disposal of non-current asset held for sale                      | -   | 4,580   |
| Net cash outflow from acquire of subsidiary companies                          | -   | (46)  |
| Repayment of prior year investment in associate and subsidiary companies       | (14,703)  | (8,524)   |
| Capital work-in-progress incurred  | (2,040)   | (2,812)   |
| Net cash used in investing activities  | <u>(18,300)</u>   | <u>(9,766)</u>  |
| <b>Financing Activities</b>  |   |   |
| (Increase) / decrease in fixed deposit pledged                                 | (4,222)   | 11,131  |
| Decrease / (increase) in cash and bank balances pledged                        | 752   | (674)   |
| Drawdown of borrowings   | 101,448   | 69,716  |
| Repayment of borrowings  | (138,380)   | (103,767)   |
| Repayment of Islamic Securities  | (10,000)  | (25,000)  |
| Repayment of hire purchase payables  | (571)   | (253)   |
| Purchase of treasury shares  | (2,733)   | (2,986)   |
| Dividend paid  | (7,477)   | -   |
| Dividend paid to non-controlling interests                                     | (3,130)   | (1,470)   |
| Proceeds from issue of shares by the Company                                   | 34,000  | -   |
| Proceeds from issuance of shares   | 7,035   | 4,605   |
| Proceeds from exercise of ESOS   | 1,067   | -   |
| Proceeds from disposal of treasury shares                                      | -   | 2,745   |
| Net cash used in financing activities  | <u>(22,211)</u>   | <u>(45,953)</u>   |

**LBS BINA GROUP BERHAD (518482-H)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**- For the financial period ended 30 June 2014 (cont'd)**

|   | <b>Current<br/>Period Ended<br/>30.06.2014<br/>RM'000</b> | <b>Preceding<br/>Period Ended<br/>30.06.2013<br/>RM'000</b> |
|---|---|---|
| <b>Net (decrease) / increase in cash and cash equivalents</b>         | (133,932)   | 26,440  |
| <b>Cash and cash equivalents at the beginning of financial period</b> | 267,439   | 45,901  |
| <b>Effect of exchange rate changes</b>                                | (399)   | 660   |
| <b>Cash and cash equivalents at the end of financial period</b>       | <u>133,108</u>  | <u>73,001</u>   |
| <b>Cash and cash equivalents comprise:-</b>                           |   |   |
| <b>Continuing operations</b>  |   |   |
| Fixed deposits with licensed banks                                    | 41,709  | 29,438  |
| Cash held under Housing Development Accounts                          | 48,379  | 50,903  |
| Cash and bank balances  | 72,898  | 24,668  |
| Bank overdrafts   | <u>(7,578)</u>  | <u>(19,254)</u>   |
|   | 155,408   | 85,755  |
| Less : Fixed deposits pledged with licensed banks                     | (17,240)  | (29,438)  |
| Cash and bank balances pledged  | <u>(5,060)</u>  | <u>(3,183)</u>  |
|   | <u>133,108</u>  | <u>53,134</u>   |
| <b>Discontinued operations</b>  |   |   |
| Deposits with licensed banks  | -   | -   |
| Cash and bank balances  | -   | 19,867  |
|   | <u>-</u>  | <u>19,867</u>   |
|   | <u>133,108</u>  | <u>73,001</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 policies**Basis of accounting

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

The Group and the Company have not applied the following Malaysian Financial Reporting Standards ("MFRSs") that have been issued by the Malaysia Accounting Standard Board ("MASB") but are not yet effective for the Group and the Company:

|   |  | <u>Effective date for<br/>financial periods<br/>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   |
| Amendments to FRS 11  | Accounting for Acquisitions of interests in Joint Operations         | 1 January 2016  |
| FRS 7   | Regulating Deferral Accounts   | 1 January 2016  |
| Amendments to FRS 116 and FRS 138   | Clarification of Acceptable methods of Depreciation and Amortisation | 1 January 2016  |
| 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.

## **LBS BINA GROUP BERHAD (518482-H)**

### **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 497,500 and 454,700 and 56,300 and 3,400 and 3,400 ordinary shares of RM1.00 each for cash at RM1.00 and RM1.081 and RM1.218 and RM1.35 and RM1.55 per share respectively arising from the exercise of options granted under the ESOS.
- (ii) Issuance of shares pursuant to the Conversion of Warrants  
A total of 7,035,000 warrants were converted into ordinary shares of RM1.00 each which resulted in 7,035,000 ordinary shares of RM1.00 each being issued and converted.
- (iii) Share buyback by the Company  
The Company repurchased 1,768,900 of its issued shares from the open market for a total consideration of RM2,732,901 and held as Treasury Shares.
- (iv) Issuance of shares pursuant to the Proposed Private Placement Scheme ("Private Placement")  
The Company has issued and allotted 20,000,000 ordinary shares of RM1.00 each for cash at RM1.70 per Placement Share pursuant to the Private Placement.

### **A8. Dividend paid**

During the financial quarter under review, 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 was paid on 23 May 2014.

# LBS BINA GROUP BERHAD (518482-H)

## A9. Segment information

Period ended 30 June 2014

|   | Property<br>Development<br>RM'000 | Construction<br>RM'000 | Management,<br>Investment & Others<br>RM'000 | Racing Circuit<br>RM'000 | Elimination<br>RM'000 | Total Continuing<br>Operations<br>RM'000 | Discontinued<br>Operations<br>RM'000 | Consolidated<br>RM'000 |
|---|-----------------------------------|------------------------|--|--------------------------|-----------------------|--|--------------------------------------|------------------------|
| <b>REVENUE</b>                                    |                                   |                        |  |                          |                       |  |                                      |                        |
| External revenue                                  | 330,105                           | -                      | 12,463                                       | 8,483                    | -                     | 351,051                                  | -                                    | 351,051                |
| Inter-segment                                     | -                                 | 131,435                | 35,733                                       | -                        | (167,168)             | -  | -                                    | -                      |
| Total Revenue                                     | 330,105                           | 131,435                | 48,196                                       | 8,483                    | (167,168)             | 351,051                                  | -                                    | 351,051                |
| <b>RESULTS</b>                                    |                                   |                        |  |                          |                       |  |                                      |                        |
| Segment results                                   | 51,840                            | 7,658                  | 319  | (5,781)                  | -                     | 54,036                                   | -                                    | 54,036                 |
| Interest income                                   | 1,447                             | 86                     | 623  | 50                       | -                     | 2,206                                    | -                                    | 2,206                  |
| Finance costs                                     | (3,813)                           | (328)                  | (2,733)                                      | (46)                     | -                     | (6,920)                                  | -                                    | (6,920)                |
| Share of results of associates                    | -                                 | -                      | (27)   | -                        | -                     | (27)                                     | -                                    | (27)                   |
| Profit / (loss) before taxation                   | 49,474                            | 7,416                  | (1,818)                                      | (5,777)                  | -                     | 49,295                                   | -                                    | 49,295                 |
| Taxation  | (17,518)                          | (1,987)                | (444)  | 704                      | -                     | (19,245)                                 | -                                    | (19,245)               |
| Profit/ (loss) for the financial period           | 31,956                            | 5,429                  | (2,262)                                      | (5,073)                  | -                     | 30,050                                   | -                                    | 30,050                 |
| <b>Assets</b>                                     |                                   |                        |  |                          |                       |  |                                      |                        |
| Additional to non-current assets                  | 31,912                            | 1,273                  | -  | 165                      | -                     | 33,350                                   | -                                    | 33,350                 |
| Segment assets                                    | 1,238,533                         | 69,870                 | 450,182                                      | 215,657                  | -                     | 1,974,242                                | -                                    | 1,974,242              |
| <b>Other non-cash expenses</b>                    |                                   |                        |  |                          |                       |  |                                      |                        |
| Depreciation                                      | 1,026                             | 536                    | 2  | 6,106                    | -                     | 7,670                                    | -                                    | 7,670                  |
| Impairment of goodwill in subsidiary companies    | 1,956                             | -                      | -  | -                        | -                     | 1,956                                    | -                                    | 1,956                  |
| Loss on disposal of property, plant and equipment | -                                 | 18                     | -  | -                        | -                     | 18                                       | -                                    | 18                     |
| Property, plant and equipment written off         | 5                                 | 1                      | -  | 1                        | -                     | 7  | -                                    | 7                      |
| Unrealised loss on foreign exchange               | -                                 | -                      | 683  | 541                      | -                     | 1,224                                    | -                                    | 1,224                  |
| Share based payment                               | -                                 | -                      | 2,212  | -                        | -                     | 2,212                                    | -                                    | 2,212                  |
| <b>Other non-cash income</b>                      |                                   |                        |  |                          |                       |  |                                      |                        |
| Gain on disposal of property, plant and equipment | -                                 | -                      | 218  | -                        | -                     | 218                                      | -                                    | 218                    |

# LBS BINA GROUP BERHAD (518482-H)

## A9. Segment information (Cont'd)

Period ended 30 June 2013

|   | Property<br>Development<br>RM'000 | Construction<br>RM'000 | Management,<br>Investment & Others<br>RM'000 | Racing Circuit<br>RM'000 | Elimination<br>RM'000 | Total Continuing<br>Operations<br>RM'000 | Discontinued<br>Operations<br>RM'000 | Consolidated<br>RM'000 |
|---|-----------------------------------|------------------------|--|--------------------------|-----------------------|--|--------------------------------------|------------------------|
| <b>REVENUE</b>  |                                   |                        |  |                          |                       |  |                                      |                        |
| 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                |
| <b>RESULTS</b>  |                                   |                        |  |                          |                       |  |                                      |                        |
| 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                 |
| <b>Assets</b>   |                                   |                        |  |                          |                       |  |                                      |                        |
| 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              |
| <b>Other non-cash expenses</b>  |                                   |                        |  |                          |                       |  |                                      |                        |
| Depreciation  | 1,343                             | 7                      | 22   | -                        | -                     | 1,372                                    | -                                    | 1,372                  |
| Property, plant and equipment written off                               | 8                                 | -                      | -  | -                        | -                     | 8  | -                                    | 8                      |
| Impairment on goodwill in subsidiary companies                          | 5,000                             | -                      | -  | -                        | -                     | 5,000                                    | -                                    | 5,000                  |
| <b>Other non-cash income</b>  |                                   |                        |  |                          |                       |  |                                      |                        |
| 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 assets and non-current liabilities | 1,012                             | -                      | -  | -                        | -                     | 1,012                                    | -                                    | 1,012                  |

## **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 April 2014, a total of 132,550 Shares Options under ESOS were granted at the subscription price of RM1.55 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 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 acquired 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) only. Consequently, BSSB became a 30% associate company of LBS.
- (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 7 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%.
- (viii) On 22 May 2014, MITCE, a 75% subsidiary of MITC, an indirectly wholly-owned subsidiary of the Company has subscribed Three Hundred (300) ordinary shares of RM1.00 each in Debaran Emas Sdn. Bhd., a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Three Hundred (RM300) only. Consequently, DESB became a 30% associated company of MITCE.
- (ix) On 1 June 2014, a total of 601,750 Shares Options under ESOS were granted at the subscription price at RM1.56 to the eligible employees under the Thirteenth Grant of the ESOS.

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



## LBS BINA GROUP BERHAD (518482-H)

### A12. Material subsequent events

- (i) On 1 July 2014, a total of 130,000 Shares Options under ESOS were granted at the subscription price at RM1.54 to the eligible employees under the Fourteenth Grant of the ESOS.
- (ii) On 18 July 2014, LBS has acquired additional Fifteen Thousand (15,000) ordinary shares of RM1.00 each in Koleksi Sigma Sdn. Bhd. ("KSSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twelve Million (RM12,000,000) only. Consequently, KSSB became a 75% subsidiary of LBS.
- (iii) On 24 July 2014, the Company has successfully subscribed for 8,000,000 new ordinary shares of RM0.50 each ("Placement Shares") in VTI Vintage Berhad ("VVB") at subscription price of RM0.50 per Placement Share together with 4,000,000 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every two (2) Placement Shares subscribed pursuant to the Private Placement of VVB, marking the completion of the first tranche of the Proposed Subscription of equity interest in VVB. Accordingly, the Company holds 21.9% equity interests in VVB.
- (iv) On 25 July 2014, MITCE, a 75% subsidiary of MITC, an indirectly wholly-owned subsidiary of the Company has acquired Three Hundred (300) ordinary shares of RM1.00 each in DESB, a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Three Hundred (RM300) only. Consequently, DESB became a 60% subsidiary of MITCE.
- (v) On 1 August 2014, a total of 1,111,900 Shares Options under ESOS were granted at the subscription price at RM1.54 to the eligible employees under the Fifteenth Grant of the ESOS.
- (vi) On 4 August 2014, LBS disposed One Hundred Thousand (100,000) ordinary share of RM1.00 each in Tarikan Puncak Sdn. Bhd. ("TPSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One Hundred Thousand (RM100,000) only. Consequently, LBS's shareholding in TPSB has reduced from 40% to 20%.

There were no material subsequent events as at 18 August 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 30 June 2014 were as follows:

|   | <b>Amount<br/>RM'000</b> |
|---|--------------------------|
| Approved and contracted for property development: |                          |
| - Cost Sharing Agreement                          | 6,765                    |
| - Sales and Purchase Agreements                   | 129,888                  |
| - Joint Venture Agreements                        | 166,874                  |
|   | <u>303,527</u>           |

### A14. Changes in contingent assets or contingent liabilities

|   | <b>30.06.2014<br/>RM'000</b> | <b>30.06.2013<br/>RM'000</b> |
|---|------------------------------|------------------------------|
| Bank guarantees issued for property development | <u>14,393</u>                | <u>14,046</u>                |

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

## LBS BINA GROUP BERHAD (518482-H)

### A15. Significant related party transactions

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

|                                 | <b>Amount<br/>RM'000</b> |
|---------------------------------|--------------------------|
| <b>Income</b>                   |                          |
| Sale of development properties  | 7,941                    |
| Rental income                   | 8                        |
| Rendering of insurance services | 19                       |
| <b>Expense</b>                  |                          |
| Contractor fee                  | 9,145                    |
| Legal fees                      | 260                      |
| Rental expenses                 | 65                       |

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 RM206 million and RM31 million respectively. These represent 53% increase in revenue and 33% increase in PBT over the results achieved in the corresponding quarter in the year 2013.

For the six months ended 30 June 2014, the Group recorded revenue and PBT of approximately RM351 million and RM49 million respectively. These represent a 45% increase in revenue and 25% increase in PBT over the results recorded in the corresponding period in the year 2013.

The improved revenue and PBT for the current quarter and period to date were mainly attributable to profit contribution from the 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 Homes 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 RM206 million and RM31 million respectively as compared to the revenue and PBT of approximately RM145 million and RM18 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 on-going projects.

**B3. Prospects for the current financial year**

With the Group's 18 ongoing projects and unbilled sales of approximately RM654 million as at 31 July 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.

## LBS BINA GROUP BERHAD (518482-H)

### B5. Taxation

The breakdown of tax expense were as follows:-

|                                 | Individual Quarter                              |   | Cumulative Period                               |   |
|---------------------------------|---|---|---|---|
|                                 | Current year<br>Quarter<br>30.06.2014<br>RM'000 | Preceding year<br>Quarter<br>30.06.2013<br>RM'000 | Current year<br>To date<br>30.06.2014<br>RM'000 | Preceding year<br>To date<br>30.06.2013<br>RM'000 |
| <u>Continuing operations:</u>   |   |   |   |   |
| Current year's provision        | 10,618  | 8,015   | 18,612  | 15,011  |
| Under provision                 | 1,349   | -   | 1,337   | -   |
| Deferred taxation               | (256)   | (143)   | (704)   | (1,104)   |
| Total tax expense               | 11,711  | 7,872   | 19,245  | 13,907  |
| <u>Discontinued operations:</u> |   |   |   |   |
| Current year's provision        | -   | -   | -   | 2   |
| Over provision                  | -   | -   | -   | (23)  |
| Deferred taxation               | -   | 24  | -   | 16  |
| Total tax                       | -   | 24  | -   | (5)   |
| Total                           | 11,711  | 7,896   | 19,245  | 13,902  |

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 18 August 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 parcel of leasehold 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 serviced 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 forming part of the total consideration and upon the terms and conditions as stipulated in the JVA.

The Condition Precedents of this Agreement has been fulfilled and the Agreement is pending completion of the other terms 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") for a total consideration of RM71,280,000 ("Acquisition"):-

- PN 38855 Lot 24962 measuring approximately 3,498 square meters; and
- 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);
- (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); 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).

(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.

On 24 July 2014, the Board of Director of the Company announced that the Company has successfully subscribed for 8,000,000 new Ordinary Shares of RM0.50 each in VVB at a subscription price of RM0.50 per placement share together with 4,000,000 free detachable warrants on the basis of one (1) warrant for every two (2) placement shares subscribed pursuant to the Private Placement of VVB.

- (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.

## **LBS BINA GROUP BERHAD (518482-H)**

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

- (iv) 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.

As of to-date, no additional Placement Shares being issued subsequent to the completion of Tranche 1 of the Private Placement.

- (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) 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) only upon the terms and conditions as stipulated in the SSA.

This Agreement has not been completed pending 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.

## LBS BINA GROUP BERHAD (518482-H)

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

The status of the utilisation of cash proceeds of HKD500 million as at 18 August 2014, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of interim financial report, was as follows:

|                                      | Note  | Proposed Utilisation | Proposed Utilisation | Actual Utilisation | Proceeds Balance | Deviation |       | Revised Timeframe for Utilisation |
|--------------------------------------|-------|----------------------|----------------------|--------------------|------------------|-----------|-------|-----------------------------------|
|                                      |       | HKD'000              | RM'000               | RM'000             | RM'000           | RM'000    | %     |                                   |
| Potential investment                 | 1,2,4 | 174,376              | 73,046               | (34,648)           | 38,398           | -         | -     | Within 1.5 years                  |
| Operating expenses                   | 1,2,4 | 58,125               | 24,349               | (13,304)           | 11,045           | -         | -     | 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               | (65,330)           | (14,604)         | (14,604)  | -29%  | Within 1 year                     |
| Reduction of other payables          | 1,2,4 | 128,905              | 53,998               | (52,943)           | 1,055            | -         | -     | Within 1 year                     |
| Expenses in relation to the disposal | 1,2,4 | 16,000               | 6,702                | (3,773)            | 2,929            | -         | -     | Within 1 year                     |
| Dividend                             | 3     | -                    | -                    | (36,630)           | (36,630)         | (36,630)  | -100% |                                   |
|                                      |       | 500,000              | 209,450              | (206,690)          | 2,759            | (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 revised timeframe from the receipt of the proceeds.
- 3) Any 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.

## LBS BINA GROUP BERHAD (518482-H)

### B8. Utilisation of proceeds from Private Placement

On 4 April 2014, Bursa Securities has approved the 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 million has been raised by issuing 20 million new ordinary shares of RM1.00 each of the Company at an issue price of RM1.70 each.

The status of the utilisation of the proceeds from the Tranche 1 of Private Placement as at 18 August 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           | (33,473,078)       | -                | Within 1 year                      |
| Expenses in relation to the Private Placement  | 526,922              | (526,922)          | -                | Within 1 year                      |
|  | 34,000,000           | (34,000,000)       | -                |                                    |

The proceeds from the above Private Placement was fully utilised in July 2014.

### B9. Borrowings and debt securities

Total Group borrowings and debt securities as at 30 June 2014 were as follows: -

|  | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|--|-------------------|---------------------|-----------------|
| Finance lease payables                                   | 1,045             | -                   | 1,045           |
| Bank overdrafts  | 7,578             | -                   | 7,578           |
| Bank borrowings  | 92,731            | -                   | 92,731          |
| Short term borrowings                                    | 101,354           | -                   | 101,354         |
| Finance lease payables                                   | 3,604             | -                   | 3,604           |
| Bank borrowings  | 262,773           | -                   | 262,773         |
| Islamic commercial papers /<br>Islamic medium term notes | 20,000            | -                   | 20,000          |
| Long term borrowings                                     | 286,377           | -                   | 286,377         |
| Total borrowings   | 387,731           | -                   | 387,731         |

Currency exposure profiles of borrowings were as follow:-

|                  | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|------------------|-------------------|---------------------|-----------------|
| Ringgit Malaysia | 283,563           | -                   | 283,563         |
| Hong Kong Dollar | 104,168           | -                   | 104,168         |
|                  | 387,731           | -                   | 387,731         |

### B10. Changes in material litigation

There was no material litigation as at 18 August 2014, 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)

### B11. Dividend declared

No dividend has been proposed or paid for the quarter under review.

In respect of the previous financial year ended 31 December 2013:-

- (i) At the Annual General Meeting held on 26 June 2014, the shareholders of the Company approved a final single tier dividend of 1.5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2013.
- (ii) EX-date, entitlement date and payment date of the dividend are on 21 August 2014, 25 August 2014 and 24 September 2014 respectively.

### B12. Earnings per share (“EPS”)

#### **Basic EPS**

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

|   | <b>Current year<br/>to date<br/>30.06.2014</b> | <b>Preceding year<br/>to date<br/>30.06.2013</b> |
|---|--|--|
| Profit attributable to equity holders of the Company (RM'000) |  |  |
| - continuing operations                                       | 30,941   | 24,661   |
| - discontinued operations                                     | -  | 2,259  |
|   | <u>30,941</u>                                  | <u>26,920</u>                                    |
| Weighted average number of ordinary shares in issue ('000)    | <u>481,212</u>                                 | <u>380,855</u>                                   |
| Basic EPS (sen)   |  |  |
| - continuing operations                                       | 6.43   | 6.48   |
| - discontinued operations                                     | -  | 0.59   |
| Total   | <u>6.43</u>                                    | <u>7.07</u>                                      |

#### **Diluted EPS**

The calculation of the diluted earnings per share is based on the profit 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:-

|   | <b>Current year<br/>to date<br/>30.06.2014</b> | <b>Preceding year<br/>to date<br/>30.06.2013</b> |
|---|--|--|
| Profit attributable to equity holders of the Company (RM'000)       |  |  |
| - continuing operations   | 30,941   | 24,661   |
| - discontinued operations   | -  | 2,259  |
|   | <u>30,941</u>                                  | <u>26,920</u>                                    |
| Adjusted weighted average number of ordinary shares in issue ('000) | <u>515,386</u>                                 | <u>381,065</u>                                   |
| Diluted EPS (sen)   |  |  |
| - continuing operations   | 6.00   | 6.47   |
| - discontinued operations   | -  | 0.59   |
| Total   | <u>6.00</u>                                    | <u>7.06</u>                                      |

## LBS BINA GROUP BERHAD (518482-H)

### B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

|   | <b>Current<br/>quarter<br/>30.06.2014<br/>RM'000</b> | <b>Current<br/>Period to date<br/>30.06.2014<br/>RM'000</b> |
|---|--|---|
| Depreciation                                    | (3,778)  | (7,670)   |
| Impairment of goodwill arising on consolidation | (1,956)  | (1,956)   |
| Unrealised loss on foreign exchange             | (760)  | (1,224)   |
| Property, plant and equipment written off       | (2)  | (7)   |
| Share based payment                             | (1,087)  | (2,212)   |
| Gain on disposal property, plant and equipment  | 200  | 200   |

### B14. Realised and unrealised profits / (losses)

|   | <b>Unaudited<br/>30.06.2014<br/>RM '000</b> | <b>Audited<br/>31.12.2013<br/>RM '000</b> |
|---|---|---|
| Total retained profits/(accumulated losses) of the Company and its subsidiaries:- |   |   |
| - Realised  | 722,273                                     | 698,835                                   |
| - Unrealised  | (2,600)                                     | (1,376)                                   |
|   | <u>719,673</u>                              | <u>697,459</u>                            |
| Total share of accumulated losses from associate companies:-                      |   |   |
| - Realised  | (323)                                       | (288)                                     |
| - Unrealised  | -   | -   |
|   | <u>719,350</u>                              | <u>697,171</u>                            |
| Less : Consolidation adjustments  | (279,916)                                   | (281,324)                                 |
| Total Group retained profits as per consolidated accounts                         | <u><u>439,434</u></u>                       | <u><u>415,847</u></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  
25 August 2014