



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

Interim Financial Report

30 September 2014

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
- For the financial period ended 30 September 2014

	Note	Individual Quarter		Cumulative Period	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Quarter	To date	To date
		30.09.2014	30.09.2013	30.09.2014	30.09.2013
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		148,474	134,969	499,525	377,382
Cost of sales		(96,598)	(88,312)	(341,770)	(255,495)
Gross profit		51,876	46,657	157,755	121,887
Interest Income		1,096	969	3,302	3,005
Other income		703	337,560	2,309	340,552
Operating expenses		(25,545)	(23,021)	(78,994)	(55,717)
Finance costs		(4,627)	(4,076)	(11,547)	(12,106)
Share of results of associates		(254)	(6)	(281)	(11)
Profit before taxation		23,249	358,083	72,544	397,610
Taxation	B5	(8,625)	(10,411)	(27,870)	(24,319)
Profit from continuing operations		14,624	347,672	44,674	373,291
Discontinued operations					
(Loss) / Profit from discontinued operations		-	(502)	-	3,287
Profit for the financial period		14,624	347,170	44,674	376,578
Profit attributable to: -					
Equity holders of the Parent		15,625	346,299	46,566	373,219
Non-controlling interests		(1,001)	871	(1,892)	3,359
		14,624	347,170	44,674	376,578
Earnings per share attributable to equity holders of the Parent					
Basic (sen)	B12				
- continuing operations		3.20	89.04	9.53	95.38
- discontinued operations		-	(0.09)	-	0.49
Total		3.20	88.95	9.53	95.87
Diluted (sen)	B12				
- continuing operations		3.01	86.58	8.97	92.74
- discontinued operations		-	(0.08)	-	0.48
Total		3.01	86.50	8.97	93.22

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.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 30 September 2014 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2014 RM'000	Preceding Year Quarter 30.09.2013 RM'000	Current Year To date 30.09.2014 RM'000	Preceding Year To date 30.09.2013 RM'000
Profit for the financial period	14,624	347,170	44,674	376,578
Other comprehensive income, net of tax:				
Foreign currency translation difference	8,564	(386)	518	14,046
Total comprehensive income for the financial period	<u>23,188</u>	<u>346,784</u>	<u>45,192</u>	<u>390,624</u>
Total comprehensive income attributable to:				
Equity holders of the Parent	24,530	343,735	47,034	380,760
Non-controlling interests	(1,342)	3,049	(1,842)	9,864
	<u>23,188</u>	<u>346,784</u>	<u>45,192</u>	<u>390,624</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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As at 30 September 2014

	Note	30.09.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	203,873	212,750
Capital work-in-progress		-	3,306
Land and property development costs		421,554	392,463
Investment properties		33,066	6,524
Investment in associate companies		6,962	2,993
Trade and other receivables		11,661	13,726
Promissory note		219,151	219,099
Other investments		125,139	138,449
Goodwill on consolidation		91,457	94,155
Deferred tax assets		1,488	855
		1,114,351	1,084,320
Current Assets			
Land and property development costs		244,115	237,730
Inventories		13,219	22,575
Accrued billing in respect of property development costs		119,807	71,047
Trade and other receivables		244,213	197,813
Promissory note		100,597	100,573
Tax recoverable		12,349	5,712
Fixed deposits with licensed banks		41,911	152,757
Cash held under Housing Development Accounts		88,313	57,978
Cash and bank balances		72,586	78,610
		937,110	924,795
Non-current assets classified as held for sale		697	697
		937,807	925,492
TOTAL ASSETS		2,052,158	2,009,812
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to equity holders of the Parent			
Share capital		518,127	479,651
Treasury shares, at cost		(12,274)	(9,541)
Reserves		415,658	399,547
		921,511	869,657
Non-controlling interests		(4,489)	2,983
Total Equity		917,022	872,640

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

	Note	30.09.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
Non-current Liabilities			
Trade and other payables		148,011	166,761
Islamic Securities	B9	10,000	30,000
Bank borrowings	B9	236,615	287,969
Finance lease payables	B9	3,664	3,303
Deferred tax liabilities		38,176	39,540
		436,466	527,573
Current Liabilities			
Progress billing in respect of property development costs		123,084	77,221
Trade and other payables		399,940	459,608
Bank overdrafts	B9	2,244	762
Finance lease payables	B9	997	1,019
Bank borrowings	B9	154,417	60,035
Tax payable		17,988	10,954
		698,670	609,599
Total Liabilities		1,135,136	1,137,172
TOTAL EQUITY AND LIABILITIES		2,052,158	2,009,812
Net Assets per share attributable to equity holders of the Parent (RM)		1.81	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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 30 September 2014

	←----- Attributable to Owners of the Parent -----→											
	<----- Non-distributable ----->					<-Distributable->						
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained 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	-	-	-	-	-	-	-	-	46,566	46,566	(1,892)	44,674
Foreign currency translation	-	-	-	-	468	-	-	-	-	468	50	518
Total comprehensive income for the financial period	-	-	-	-	468	-	-	-	46,566	47,034	(1,842)	45,192
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(178)	-	-	178	-	-	-
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,500)	(2,500)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(20,014)	-	(20,014)	-	(20,014)
Issuance of ordinary shares:												
- Exercise of ESOS	1,439	-	162	-	-	-	-	-	-	1,601	-	1,601
- Exercise of warrants	17,037	-	1,704	-	-	-	(1,704)	-	-	17,037	-	17,037
- Placement	20,000	-	14,000	-	-	-	-	-	-	34,000	-	34,000
Realisation of Esos's reserve	-	-	-	(91)	-	-	-	-	91	-	-	-
Fair value adjustment	-	-	-	-	-	-	-	(13,345)	-	(13,345)	-	(13,345)
Share based payment	-	-	-	3,383	-	-	-	-	-	3,383	-	3,383
Own shares acquired	-	(2,733)	-	-	-	-	-	-	-	(2,733)	-	(2,733)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(3,130)	(3,130)
Dividends paid	-	-	-	-	-	-	-	-	(15,109)	(15,109)	-	(15,109)
Disposal of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	38,476	(2,733)	15,866	3,292	-	(178)	(1,704)	(33,359)	(14,840)	4,820	(5,630)	(810)
Balance as at 30.09.2014	518,127	(12,274)	42,507	9,613	17,784	11	7,171	(109,003)	447,575	921,511	(4,489)	917,022

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

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

	← Attributable to Owners of the Parent →									<-Distributable->	Non-controlling Interests	Total Equity
	<----- Non-distributable ----->											
	Share Capital	Treasury Shares	Share Premium	ESOS Reserve	Foreign Exchange Reserve	Revaluation Reserve	Warrant Reserve	Other Reserve	Retained Earnings	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2013	386,553	(4,407)	16,945	3,259	10,271	311	14,952	(50,074)	67,295	445,105	81,726	526,831
Amount recognised directly in equity:												
Profit for the financial period	-	-	-	-	-	-	-	-	373,219	373,219	3,359	376,578
Foreign currency translation	-	-	-	-	7,541	-	-	-	-	7,541	6,505	14,046
Total comprehensive income for the financial period	-	-	-	-	7,541	-	-	-	373,219	380,760	9,864	390,624
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(57)	-	-	57	-	-	-
Issuance of ordinary shares:												
- Exercise of Warrants	50,770	-	5,077	-	-	-	(5,077)	-	-	50,770	-	50,770
- Exercise of ESOS	31,233	-	374	-	-	-	-	-	-	31,607	-	31,607
Change in ownership interest in a subsidiary	-	-	-	-	-	-	-	(7,566)	-	(7,566)	-	(7,566)
Acquisition / disposal of interest for non-controlling interests	-	-	-	-	-	-	-	-	-	-	(72,241)	(72,241)
Dividend paid	-	-	-	-	-	-	-	-	(7,732)	(7,732)	-	(7,732)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Fair value adjustment	-	-	-	-	-	-	-	(948)	-	(948)	-	(948)
Share-based payment	-	-	-	3,030	-	-	-	-	-	3,030	-	3,030
Own shares acquired	-	(10,016)	-	-	-	-	-	-	-	(10,016)	-	(10,016)
Disposal of treasury shares	-	1,866	877	-	-	-	-	-	-	2,743	-	2,743
Total transactions with owners	82,003	(8,150)	6,328	3,030	-	(57)	(5,077)	(8,514)	(7,675)	61,888	(73,711)	(11,823)
Balance as at 30.09.2013	468,556	(12,557)	23,273	6,289	17,812	254	9,875	(58,588)	432,839	887,753	17,879	905,632

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 September 2014**

	Current Period Ended 30.09.2014 RM'000	Preceding Period Ended 30.09.2013 RM'000
Profit before taxation		
- continuing operations	72,544	397,610
- discontinued operations	-	3,249
Adjustments for :-		
Non-cash items	17,943	(321,958)
Other operating items	8,526	9,074
Operating profit before changes in working capital	99,013	87,975
Changes in land and property development costs	(29,709)	(186,721)
Changes in inventories	9,356	(59)
Changes in amount owing by/ to contract customers	404	1,666
Changes in receivables	(50,234)	17,256
Changes in payables	(42,665)	129,413
Changes in accrued / progress billing in respect of property development costs	(2,897)	39,840
Changes in foreign exchange reserve	1,018	5,883
Cash (used in) / generated from operations	(15,714)	95,253
Interest received	3,302	3,043
Interest paid	(17,314)	(22,885)
Tax paid	(32,782)	(44,081)
Tax refund	1,873	1,319
Net cash (used in) / generated from operating activities	(60,635)	32,649
Investing Activities		
Purchase of property, plant and equipment	(3,069)	(3,404)
Purchase of investment properties	(2,167)	(663)
Proceeds from disposal of property, plant and equipment	499	237
Proceeds from disposal of non-current asset held for sale	-	4,580
Net cash outflow from acquire of subsidiary companies	-	(48)
Net cash inflow from disposal of subsidiary companies	-	190,277
Repayment of prior year investment in associate and subsidiary companies	(25,823)	(13,582)
Capital work-in-progress incurred	(2,040)	(575)
Net cash used in investing activities	(32,600)	(176,822)
Financing Activities		
(Increase) / decrease in fixed deposit pledged	(4,686)	30,306
Increase in cash and bank balances pledged	(6,036)	(2,711)
Drawdown of borrowings	179,509	172,680
Repayment of borrowings	(185,045)	(251,638)
Repayment of Islamic Securities	(20,000)	(45,000)
Repayment of hire purchase payables	(945)	(489)
Purchase of treasury shares	(2,733)	(10,016)
Dividend paid	(15,109)	(7,732)
Dividend paid to non-controlling interests	(3,130)	(1,470)
Proceeds from issuance of shares	35,601	31,606
Proceeds from conversion of warrants	17,037	50,770
Proceeds from disposal of treasury shares	-	2,745
Net cash used in financing activities	(5,537)	(30,949)

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

	Current Period Ended 30.09.2014 RM'000	Preceding Period Ended 30.09.2013 RM'000
Net (decrease) / increase in cash and cash equivalents	(98,772)	178,522
Cash and cash equivalents at the beginning of financial period	267,439	45,901
Effect of exchange rate changes	5	1,324
Cash and cash equivalents at the end of financial period	<u>168,672</u>	<u>225,747</u>
Cash and cash equivalents comprise:-		
Fixed deposits with licensed banks	41,911	121,006
Cash held under Housing Development Accounts	88,313	57,312
Cash and bank balances	72,586	72,603
Bank overdrafts	(2,244)	(9,681)
	<u>200,566</u>	<u>241,240</u>
Less : Fixed deposits pledged with licensed banks	(20,047)	(10,274)
Cash and bank balances pledged	(11,847)	(5,219)
	<u>168,672</u>	<u>225,747</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 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 ("FRSs") and the Companies Act, 1965 in Malaysia.

Adoption of new and amended standards and interpretation

During the financial year, the Group have adopted the following Amendments to FRSs and IC Interpretation which are effective and mandatory for the current financial year:-

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of above amendments to FRSs and IC Interpretation did not have any significant impact on the financial statements of the Group.

Standards issued but not yet effective

The Group 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:-

	Effective date for financial periods beginning on or after
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 116 and FRS 138	Clarification of Acceptable methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements

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

		Effective date for financial periods <u>beginning on or after</u>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2010 – 2012 Cycle		1 July 2014
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group intend to adopt the above FRSs when they become effective.

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

FRS 9 *Financial Instruments*

FRS 9 (IFRS 9 (2009)) introduced new requirements for the classification and measurement of financial assets. It was subsequently amended by FRS 9 (IFRS 9 (2010)) to include requirements for the classification and measurement of financial liabilities and for derecognition, and FRS 9 (IFRS 9 as amended by IASB in November 2013) to include new requirements for general hedge accounting. Another version of FRS 9 (IFRS 9 issued by IASB in July 2014) was issued to include:

- (a) impairment requirements for financial assets; and
- (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

Key requirements of FRS 9:

- (a) all recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value. In addition, under FRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment that is not held for trading in other comprehensive income, with only dividend income generally recognised in profit or loss.
- (b) with regard to the classification and measurement of financial liabilities and derecognition of financial instruments, these requirements have been relocated from FRS 139, without change, except for financial liabilities that are designated as at fair value through profit or loss. Entities with financial liabilities designated as at fair value through profit or loss recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income, unless it would create or enlarge an accounting mismatch in profit or loss. There is no subsequent recycling of the amounts in other comprehensive income to profit or loss, but accumulated gains or losses may be transferred within equity. Under FRS 139, the entire amount of the change in fair value of the financial liabilities designated as at fair value through profit or loss was presented in profit or loss.

A2. Changes in accounting policies (cont'd)

- (c) in relation to impairment of financial assets, FRS 9 requires an expected credit loss model, as opposed to an incurred loss model under FRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- (d) the new general hedge accounting represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements.

An entity is allowed to change the accounting for financial liabilities that it has elected to measure at fair value, before applying any of the other requirements in FRS 9.

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

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

On 2 September 2014, with the issuance of the MASB issued *Agriculture: Bearer Plants* (Amendments to MFRS 116 and MFRS 141) and MFRS 15 *Revenue from Contracts with Customers*, which shall apply to financial statements of annual periods beginning on or after 1 January 2016 and 1 January 2017 respectively, the MASB also allowed Transitioning Entities to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017. In presenting its first MFRS financial statements for the financial year ending 31 December 2017, the Group will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue from contracts with customers. It also includes new guidance as to whether revenue should be recognised at a point in time or over time, which replace the current distinction between goods and services.

Its core principle is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

A five-step approach to revenue recognition is required:

- (a) Identify the contract(s) with a customer.
- (b) Identify the performance obligations in the contract.
- (c) Determine the transaction price.
- (d) Allocate the transaction price to the performance obligations in the contract.
- (e) Recognise revenue when (or as) performance obligations are satisfied.

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

MFRS 15 also includes requirements for accounting for costs related to a contract with a customer. These are recognised as an asset if certain criteria are met. Furthermore, MFRS 15 also significantly expands the current disclosure requirements about revenue recognition.

The Group 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.

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 549,050 and 603,350 and 73,700 and 98,600 and 15,300 and 3,400 and 95,000 ordinary shares of RM1.00 each for cash at RM1.00 and RM1.081 and RM1.218 and RM1.35 and RM1.50 and RM1.55 and RM1.56 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 17,037,000 warrants were converted into ordinary shares of RM1.00 each which resulted in 17,037,000 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.

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A7. Debt and equity securities (*cont'd*)

- (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, 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 was paid on 24 September 2014.

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A9. Segment information

Period ended 30 September 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	469,731	-	17,238	12,556	-	499,525	-	499,525
Inter-segment	-	191,157	49,764	-	(240,921)	-	-	-
Total Revenue	469,731	191,157	67,002	12,556	(240,921)	499,525	-	499,525
RESULTS								
Segment results	84,004	8,797	(3,196)	(8,535)	-	81,070	-	81,070
Interest income	2,382	102	748	70	-	3,302	-	3,302
Finance costs	(6,126)	(503)	(4,690)	(228)	-	(11,547)	-	(11,547)
Share of results of associates	-	-	(281)	-	-	(281)	-	(281)
Profit / (loss) before taxation	80,260	8,396	(7,419)	(8,693)	-	72,544	-	72,544
Taxation	(26,020)	(2,194)	(704)	1,048	-	(27,870)	-	(27,870)
Profit/ (loss) for the financial period	54,240	6,202	(8,123)	(7,645)	-	44,674	-	44,674
Assets								
Additional to non-current assets	45,298	4,761	47	312	-	50,418	-	50,418
Segment assets	1,274,512	70,894	487,132	212,446	-	2,044,984	-	2,044,984
Other non-cash expenses								
Depreciation	1,544	817	2	9,062	-	11,425	-	11,425
Impairment of goodwill in subsidiary companies	2,698	-	-	-	-	2,698	-	2,698
Loss on disposal of property, plant and equipment	140	18	-	1	-	159	-	159
Property, plant and equipment written off	7	1	-	1	-	9	-	9
Bad debts written off	5	-	-	-	-	5	-	5
Unrealised loss on foreign exchange	-	-	351	490	-	841	-	841
Fair value adjustment on non-current assets and non-current liabilities, net	76	-	-	-	-	76	-	76
Share based payment	-	-	3,383	-	-	3,383	-	3,383
Other non-cash income								
Reversal of impairment on receivables	(20)	-	-	-	-	(20)	-	(20)
Gain on disposal of property, plant and equipment	(218)	(7)	-	-	-	(225)	-	(225)
Gain on Unrealised foreign exchange	-	-	(258)	(6)	-	(264)	-	(264)

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A9. Segment information (cont'd)

Period ended 30 September 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	370,940	-	6,442	-	-	377,382	14,776	392,158
Inter-segment		140,974	75,200	-	(216,174)	-	-	-
Total Revenue	370,940	140,974	81,642	-	(216,174)	377,382	14,776	392,158
RESULTS								
Segment results	75,360	(72)	331,434	-	-	406,722	3,211	409,933
Interest income	2,096	-	909	-	-	3,005	38	3,043
Finance costs	(7,682)	-	(4,424)	-	-	(12,106)	-	(12,106)
Share of results of associates	-	-	(11)	-	-	(11)	-	(11)
Profit / (loss) before taxation	69,774	(72)	327,908	-	-	397,610	3,249	400,859
Taxation	(25,015)	(24)	720	-	-	(24,319)	38	(24,281)
Profit/ (loss) for the financial period	44,759	(96)	328,628	-	-	373,291	3,287	376,578
Assets								
Additional to non-current assets	171,285	1,330	466,089	-	-	638,704	-	638,704
Segment assets	1,067,528	25,273	637,387	-	-	1,730,188	-	1,730,188
Other non-cash expenses								
Depreciation	2,056	10	33	-	-	2,099	-	2,099
Property, plant and equipment written off	20	-	-	-	-	20	-	20
Unrealised loss on foreign exchange	-	-	73	-	-	73	-	73
Impairment on goodwill in subsidiary companies	8,300	-	-	-	-	8,300	-	8,300
Share based payment	-	-	3,030	-	-	3,030	-	3,030
Other non-cash income								
Unrealised gain on foreign exchange	-	-	-	-	-	-	(174)	(174)
Gain on disposal of property, plant and equipment	(70)	-	-	-	-	(70)	(8)	(78)
Gain on disposal of subsidiary companies	(271)	-	(336,120)	-	-	(336,391)	-	(336,391)
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	(1,334)	-	-	-	-	(1,334)	-	(1,334)

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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 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 Bina Holdings Sdn. Bhd. ("LBS") has acquired additional Fifteen Thousand (15,000) ordinary shares of RM1.00 each in Koleksi Sigma Sdn. Bhd. ("KSSB") 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") (now known as ML Global Berhad) 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, MITC Engineering Sdn. Bhd. ("MITCE"), a 75% subsidiary of MITC Sdn. Bhd., an indirectly wholly-owned subsidiary of the Company has acquired Three Hundred (300) ordinary shares of RM1.00 each in Debaran Emas Sdn. Bhd. ("DESB") (now known as Nuevo Attraction & Destination Sdn. Bhd.) 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") 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%.
- (vii) On 25 August 2014, the Company's wholly-owned subsidiary, Pelangi Homes Sdn. Bhd. ("PHSB") has subscribed Two Hundred Thousand (200,000) ordinary shares of RM1.00 each in Biz Bena Development Sdn. Bhd. ("BBDSB") for a total cash consideration of Ringgit Malaysia Two Hundred Thousand (RM200,000) only. Consequently, BBDSB became a 40% associate company of PHSB.
- (v) On 1 September 2014, a total of 367,200 Shares Options under ESOS were granted at the subscription price at RM1.52 to the eligible employees under the Sixteenth Grant of the ESOS.

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

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A12. Material subsequent events

- (i) On 1 October 2014, a total of 409,000 Shares Options under ESOS were granted at the subscription price at RM1.53 to the eligible employees under the Seventeenth Grant of the ESOS.
- (ii) On 23 October 2014, LBS has acquired Two Hundred and Fifty Five Thousand (255,000) ordinary shares of RM1.00 each in Taman Sempurna Sdn. Bhd. ("TSSB") for a total cash consideration of Ringgit Malaysia Two Hundred and Fifty Five Thousand (RM255,000) only. Consequently, TSSB became a 51% subsidiary of LBS.
- (iii) On 27 October 2014, the Company has fully subscribed for its entitlement rights of 8 million Rights Shares of RM0.50 each under the Renounceable Rights Issue of 36,497,200 new Ordinary Shares of RM0.50 each in ML Global Berhad (formerly known as VTI Vintage Berhad) ("ML Global") at an issue price of RM0.50 per Rights Share on the basis of 1 Rights Share for every 1 Existing Ordinary Share of RM0.50 each in ML Global held by the shareholders of ML Global as at 5.00 p.m. on 1 October 2014, together with 18,248,600 Free Detachable Warrants on the Basis of 1 Warrant for every 2 Rights Shares Subscribed.

The Company has also subscribed for 2,331,023 excess Rights Shares based on the Additional Undertaking provided by the Company to subscribe for the unsubscribed Rights Shares.

- (iv) On 1 November 2014, a total of 160,600 Shares Options under ESOS were granted at the subscription price at RM1.48 to the eligible employees under the Eighteenth Grant of the ESOS.
- (v) On 14 November 2014, LBS has acquired Two Hundred and Fifty Five Thousand (255,000) ordinary shares of RM1.00 each in Iringan Kejora Sdn. Bhd. ("IKSB") for a total cash consideration of Ringgit Malaysia Two Hundred and Fifty Five Thousand (RM255,000) only. Consequently, IKSB became a 51% subsidiary of LBS. Out of the above 255,000 shares in IKSB, 150,000 shares was acquired from Sinaran Restu Sdn. Bhd. (SRSB). Consequently, IKSB has ceased to be direct subsidiary of SRSB.
- (vi) On 14 November 2014, an indirectly-owned 60% subsidiary of the Company, Nuevo Attraction & Destination Sdn. Bhd. (formerly known as Debaran Emas Sdn. Bhd.) incorporated a wholly-owned subsidiary known as Nuevoprima Development Sdn. Bhd. ("NPD") with issued and paid-up capital of One Thousand (1,000) ordinary shares of RM1.00 each. The intended principal activities of NPD are property development, property management, project advisory, turnkey construction and investment holding.

There were no material subsequent events as at 21 November 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 September 2014 were as follows:

	Amount RM'000
Approved and contracted for property development:	
- Cost Sharing Agreement	5,791
- Sales and Purchase Agreements	129,888
- Joint Venture Agreements	209,084
- Privatisation Agreements	67,000
	<hr/> 411,763 <hr/>

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A14. Changes in contingent assets or contingent liabilities

	30.09.2014 RM'000	30.09.2013 RM'000
Bank guarantees issued for property development	<u>14,702</u>	<u>13,994</u>

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

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	4,699
Rental income	14
Rendering of insurance services	21
Expense	
Contractor fee	12,164
Legal fees	175
Rental expenses	103

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 RM148 million and RM23 million respectively. Without taking into consideration of the disposal of our China investment in third quarter 2013, these represent 10% increase in revenue and 6% increase in PBT over the results achieved in the corresponding quarter in the year 2013.

For the nine months ended 30 September 2014, the Group recorded revenue and PBT of approximately RM500 million and RM73 million respectively. Without taking into consideration of the disposal of our China investment in third quarter 2013, these represent 32% increase in revenue and 18% 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 the 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, Barrington Square and SomerSquare in Cameron Highlands and Min Garden, Emerald Garden, Magma Garden and Ivory 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 RM148 million and RM23 million respectively as compared to the revenue and PBT of approximately RM206 million and RM31 million respectively in the immediate preceding quarter. The revenue and PBT were lower mainly due to completion of some projects in the immediate preceding quarter.

B3. Prospects for the current financial year

With the Group's 18 ongoing projects and unbilled sales of approximately RM541 million as at 31 October 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 expense were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 30.09.2014 RM'000	Preceding year Quarter 30.09.2013 RM'000	Current year To date 30.09.2014 RM'000	Preceding year To date 30.09.2013 RM'000
<u>Continuing operations:</u>				
Current year's provision	9,629	9,902	28,241	24,913
Under provision	(20)	511	1,317	512
Deferred taxation	(984)	(2)	(1,688)	(1,106)
Total tax expense	8,625	10,411	27,870	24,319
<u>Discontinued operations:</u>				
Current year's provision	-	-	-	2
Over provision	-	-	-	(24)
Deferred taxation	-	(32)	-	(16)
Total tax	-	(32)	-	(38)
Total	8,625	10,379	27,870	24,281

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 21 November 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"):-

- 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.

The Condition Precedents of this Agreement has been fulfilled and the Agreement is pending completion of the other terms 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") (now known as ML Global Berhad) 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.

On 27 October 2014, the Company has fully subscribed for its entitlement rights of 8 million Rights Shares of RM0.50 each under the Renounceable Rights Issue of 36,497,200 new Ordinary Shares of RM0.50 each in ML Global Berhad (formerly known as VTI Vintage Berhad) ("ML Global") at an issue price of RM0.50 per Rights Share on the basis of 1 Rights Share for every 1 Existing Ordinary Share of RM0.50 each in ML Global.

The Company has also subscribed for 2,331,023 excess Rights Shares based on the Additional Undertaking provided by the Company to subscribe for the unsubscribed Rights Shares on the basis of 1 Warrant for every 2 Rights Shares subscribed

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

- (iv) 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 a 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.

- (v) 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.

- (vi) 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.

- (vii) On 18 September 2014, RHB Investment Bank Berhad ("RHBIB") announced for on behalf of the Company that the Company had submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for an extension of time of six (6) months from the implementation deadline of 3 October 2014, following from the approval letter for the Private Placement from Bursa Securities dated 4 April 2014, up to 2 April 2015 for the Company to complete the Private Placement.

Bursa Securities had vide its letter dated 26 September 2014 approved the granting of an extension of time of six (6) months from 3 October 2014 to 2 April 2015 pursuant to Paragraph 6.62(1) of the Main Market Listing Requirements of Bursa Securities for the implementation 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 on 29 April 2014.

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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.

On 26 September 2014, the Board had announced and approved the utilisation of proceeds for the first tranche of the deferred cash payment of HKD250 million from Promissory Notes.

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

The status of the utilisation of cash proceeds of HKD500 million as at 21 November 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	(14,389)	9,960	-	-	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	(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	(207,776)	1,674	(51,234)	-129%	

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.

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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 21 November 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 September 2014 were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Finance lease payables	997	-	997
Bank overdrafts	2,244	-	2,244
Bank borrowings	154,417	-	154,417
Short term borrowings	157,658	-	157,658
Finance lease payables	3,664	-	3,664
Bank borrowings	236,615	-	236,615
Islamic commercial papers / Islamic medium term notes	10,000	-	10,000
Long term borrowings	250,279	-	250,279
Total borrowings	407,937	-	407,937

Currency exposure profiles of borrowings were as follow:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	301,707	-	301,707
Hong Kong Dollar	106,230	-	106,230
	407,937	-	407,937

B10. Changes in material litigation

There was no material litigation as at 21 November 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.

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:-

	Current year to date 30.09.2014	Preceding year to date 30.09.2013
Profit attributable to equity holders of the Company (RM'000)		
- continuing operations	46,566	371,296
- discontinued operations	-	1,923
	<u>46,566</u>	<u>373,219</u>
Weighted average number of ordinary shares in issue ('000)	<u>488,542</u>	<u>389,288</u>
Basic EPS (sen)		
- continuing operations	9.53	95.38
- discontinued operations	-	0.49
Total	<u>9.53</u>	<u>95.87</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:-

	Current year to date 30.09.2014	Preceding year to date 30.09.2013
Profit attributable to equity holders of the Company (RM'000)		
- continuing operations	46,566	371,296
- discontinued operations	-	1,923
	<u>46,566</u>	<u>373,219</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>519,359</u>	<u>400,370</u>
Diluted EPS (sen)		
- continuing operations	8.97	92.74
- discontinued operations	-	0.48
Total	<u>8.97</u>	<u>93.22</u>

LBS BINA GROUP BERHAD (518482-H)**B13. Notes to the Condensed Consolidated Statement of Comprehensive Income**

	Current quarter 30.09.2014 RM'000	Current Period to date 30.09.2014 RM'000
Depreciation	(3,755)	(11,425)
Impairment of goodwill arising on consolidation	(743)	(2,698)
Property, plant and equipment written off	(2)	(9)
Bad debts written off	-	(5)
Share based payment	(1,171)	(3,383)
Fair value adjustment on non-current assets & non-current liabilities, net	(76)	(76)
(Loss) / Gain on disposal property, plant and equipment	(134)	66
Reversal of impairment on receivables	14	20
Unrealised gain / (loss) on foreign exchange	647	(577)

B14. Realised and unrealised profits / (losses)

	Unaudited 30.09.2014 RM '000	Audited 31.12.2013 RM '000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	731,480	698,835
- Unrealised	(2,232)	(1,376)
	<u>729,248</u>	<u>697,459</u>
Total share of accumulated losses from associate companies:-		
- Realised	(557)	(288)
- Unrealised	-	-
	<u>728,691</u>	<u>697,171</u>
Less : Consolidation adjustments	(281,116)	(281,324)
Total Group retained profits as per consolidated accounts	<u>447,575</u>	<u>415,847</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
28 November 2014