



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

Interim Financial Report

31 December 2014

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
- For the financial year ended 31 December 2014

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2014 RM'000	Preceding Year Quarter 31.12.2013 RM'000	Current Year To date 31.12.2014 RM'000	Preceding Year To date 31.12.2013 RM'000
Continuing operations					
Revenue		170,872	156,151	670,397	533,533
Cost of sales		(113,640)	(109,461)	(455,410)	(364,956)
Gross profit		57,232	46,690	214,987	168,577
Interest Income		1,706	1,091	5,008	4,097
Other income		13,036	14,469	15,345	355,021
Operating expenses		(36,981)	(29,880)	(115,975)	(85,597)
Finance costs		(4,901)	(3,065)	(16,448)	(15,171)
Share of results of associates		1,727	(14)	1,446	(25)
Profit before taxation		31,819	29,291	104,363	426,902
Taxation	B5	(9,244)	(8,566)	(37,114)	(32,886)
Profit from continuing operations		22,575	20,725	67,249	394,016
Discontinued operations					
Profit from discontinued operations		-	21	-	3,308
Profit for the financial year		22,575	20,746	67,249	397,324
Profit attributable to: -					
Equity holders of the Parent		23,517	19,444	70,082	392,663
Non-controlling interests		(942)	1,302	(2,833)	4,661
		22,575	20,746	67,249	397,324
Earnings per share attributable to equity holders of the Parent					
Basic (sen)	B12				
- continuing operations		4.73	4.54	14.09	95.40
- discontinued operations		-	0.22	-	0.69
Total		4.73	4.76	14.09	96.09
Diluted (sen)	B12				
- continuing operations		4.51	3.56	13.46	91.39
- discontinued operations		-	0.17	-	0.66
Total		4.51	3.73	13.46	92.05

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 year ended 31 December 2014 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2014 RM'000	Preceding Year Quarter 31.12.2013 RM'000	Current Year To date 31.12.2014 RM'000	Preceding Year To date 31.12.2013 RM'000
Profit for the financial year	22,575	20,746	67,249	397,324
Other comprehensive income, net of tax:				
Foreign currency translation difference	28,997	(364)	29,515	13,682
Transaction with non-controlling interests	-	271	-	271
Fair value reserve adjustment	6,112	-	6,112	-
Total comprehensive income for the financial year	<u>57,684</u>	<u>20,653</u>	<u>102,876</u>	<u>411,277</u>
Total comprehensive income attributable to:				
Equity holders of the Parent	59,830	19,219	106,865	399,979
Non-controlling interests	(2,146)	1,434	(3,989)	11,298
	<u>57,684</u>	<u>20,653</u>	<u>102,876</u>	<u>411,277</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 31 December 2014

	Note	31.12.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	214,445	212,750
Capital work-in-progress		208	3,306
Land and property development costs		366,675	392,463
Investment properties		32,877	6,524
Investment in associate companies		13,879	2,993
Trade and other receivables		-	13,726
Promissory note		159,662	219,099
Other investments		136,870	138,449
Goodwill on consolidation		87,548	94,155
Deferred tax assets		2,949	855
		1,015,113	1,084,320
Current Assets			
Land and property development costs		365,200	237,730
Inventories		13,024	22,575
Accrued billing in respect of property development costs		123,689	71,047
Trade and other receivables		253,291	197,813
Promissory note		85,867	100,573
Other investments		27,071	-
Tax recoverable		8,976	5,712
Fixed deposits with licensed banks		160,984	152,757
Cash held under Housing Development Accounts		89,132	57,978
Cash and bank balances		82,315	78,610
		1,209,549	924,795
Non-current assets classified as held for sale		-	697
		1,209,549	925,492
TOTAL ASSETS		2,224,662	2,009,812
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to equity holders of the Parent			
Share capital		538,298	479,651
Treasury shares, at cost		(14,678)	(9,541)
Reserves		477,396	399,546
		1,001,016	869,656
Non-controlling interests		(7,204)	2,983
Total Equity		993,812	872,639

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

	Note	31.12.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
Non-current Liabilities			
Trade and other payables		74,011	166,762
Islamic Securities	B9	10,000	30,000
Bank borrowings	B9	275,666	287,969
Finance lease payables	B9	3,688	3,303
Deferred tax liabilities		40,921	39,540
		404,286	527,574
Current Liabilities			
Progress billing in respect of property development costs		117,949	77,221
Trade and other payables		512,711	459,608
Bank overdrafts	B9	13,264	762
Finance lease payables	B9	1,026	1,019
Bank borrowings	B9	173,964	60,035
Tax payable		7,650	10,954
		826,564	609,599
Total Liabilities		1,230,850	1,137,173
TOTAL EQUITY AND LIABILITIES		2,224,662	2,009,812
Net Assets per share attributable to equity holders of the Parent (RM)		1.90	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 year ended 31 December 2014

	←----- Attributable to Owners of the Parent -----→										Non-controlling Interests RM'000	Total Equity RM'000
	<----- Non-distributable ----->							<-Distributable->				
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000		
Balance as at 1.1.2014	479,651	(9,541)	26,641	6,321	17,316	189	8,875	(75,644)	415,848	869,656	2,983	872,639
Amount recognised directly in equity:												
Profit for the financial year	-	-	-	-	-	-	-	-	70,082	70,082	(2,833)	67,249
Fair value reserve adjustment	-	-	-	-	-	-	-	6,112	-	6,112	-	6,112
Foreign currency translation	-	-	-	-	30,671	-	-	-	-	30,671	(1,156)	29,515
Total comprehensive income for the financial year	-	-	-	-	30,671	-	-	6,112	70,082	106,865	(3,989)	102,876
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(220)	-	-	220	-	-	-
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,068)	(2,068)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(31,995)	-	(31,995)	-	(31,995)
Issuance of ordinary shares:												
- Exercise of ESOS	1,610	-	241	-	-	-	-	-	-	1,851	-	1,851
- Exercise of warrants	37,037	-	3,704	-	-	-	(3,704)	-	-	37,037	-	37,037
- Placement	20,000	-	14,000	-	-	-	-	-	-	34,000	-	34,000
Realisation of Esos's reserve	-	-	-	(224)	-	-	-	-	224	-	-	-
Share based payment	-	-	-	3,848	-	-	-	-	-	3,848	-	3,848
Own shares acquired	-	(5,137)	-	-	-	-	-	-	-	(5,137)	-	(5,137)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,130)	(4,130)
Dividends paid	-	-	-	-	-	-	-	-	(15,109)	(15,109)	-	(15,109)
Total transactions with owners	58,647	(5,137)	17,945	3,624	-	(220)	(3,704)	(31,995)	(14,665)	24,495	(6,198)	18,297
Balance as at 31.12.2014	538,298	(14,678)	44,586	9,945	47,987	(31)	5,171	(101,527)	471,265	1,001,016	(7,204)	993,812

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial year ended 31 December 2013 (cont'd)

	←----- 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 1.1.2013	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	-	-	-	-	-	-	-	-	392,663	392,663	4,661	397,324
Transaction with Non-controlling interests	-	-	-	-	-	-	-	271	-	271	-	271
Foreign currency translation	-	-	-	-	7,045	-	-	-	-	7,045	6,637	13,682
Total comprehensive income for the financial year	-	-	-	-	7,045	-	-	271	392,663	399,979	11,298	411,277
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(122)	-	-	122	-	-	-
Issuance of ordinary shares:												
- Exercise of Warrants	60,772	-	6,077	-	-	-	(6,077)	-	-	60,772	-	60,772
- Exercise of ESOS	32,326	-	439	-	-	-	-	-	-	32,765	-	32,765
Change in ownership interest in a subsidiaries	-	-	-	-	-	-	-	(13,455)	-	(13,455)	(9,255)	(22,710)
Acquisition / disposal of interest for non-controlling interests	-	-	-	-	-	-	-	-	-	-	(77,846)	(77,846)
Dividend paid	-	-	-	-	-	-	-	-	(44,362)	(44,362)	-	(44,362)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Fair value adjustment	-	-	-	-	-	-	-	(12,386)	-	(12,386)	-	(12,386)
Share based payment	-	-	-	3,192	-	-	-	-	-	3,192	-	3,192
Own shares acquired	-	(13,303)	-	-	-	-	-	-	-	(13,303)	-	(13,303)
Realisation of ESOS's reserves	-	-	-	(130)	-	-	-	-	130	-	-	-
Disposal of treasury shares	-	8,169	3,180	-	-	-	-	-	-	11,349	-	11,349
Total transactions with owners	93,098	(5,134)	9,696	3,062	-	(122)	(6,077)	(25,841)	(44,110)	24,572	(90,041)	(65,469)
Balance as at 31.12.2013	479,651	(9,541)	26,641	6,321	17,316	189	8,875	(75,644)	415,848	869,656	2,983	872,639

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 year ended 31 December 2014**

	Current Year Ended 31.12.2014 RM'000	Preceding Year Ended 31.12.2013 RM'000
Profit before taxation		
- continuing operations	104,363	426,902
- discontinued operations	-	3,269
Adjustments for :-		
Non-cash items	17,170	(330,283)
Other operating items	9,994	11,061
Operating profit before changes in working capital	<u>131,527</u>	<u>110,949</u>
Changes in land and property development costs	(91,151)	(214,522)
Changes in inventories	9,557	(9,001)
Changes in amount owing by/ to contract customers	1,161	1,956
Changes in receivables	(59,020)	(17,893)
Changes in payables	(14,286)	145,508
Changes in accrued / progress billing in respect of property development costs	(11,915)	78,794
Changes in foreign exchange reserve	1,075	2,642
Cash (used in) / generated from operations	<u>(33,052)</u>	<u>98,433</u>
Interest received	5,008	4,135
Interest paid	(26,979)	(27,217)
Tax paid	(54,012)	(61,878)
Tax refund	2,419	1,461
Net cash (used in) / generated from operating activities	<u>(106,616)</u>	<u>14,934</u>
Investing Activities		
Purchase of property, plant and equipment	(4,149)	(4,059)
Purchase of other investments	(27,071)	-
Purchase of investment properties	(2,043)	(283)
Additional investment in subsidiary or associate companies	(13,836)	-
Proceeds from disposal of property, plant and equipment	505	503
Proceeds from disposal of non-current assets held for sale	382	8,164
Proceeds from disposal of other investments	15,754	-
Proceeds from promissory notes	112,700	-
Net cash (outflows) / inflows from acquisition of subsidiary companies	(286)	3,510
Net cash inflows from disposal of subsidiary companies	-	191,182
Repayment of prior year investment in subsidiary or associate companies	(20,234)	(37,358)
Capital work-in-progress incurred	(208)	(2,040)
Net cash generated from investing activities	<u>61,514</u>	<u>159,619</u>
Financing Activities		
(Increase) / decrease in fixed deposit pledged	(27,196)	25,225
Increase in cash and bank balances pledged	(3,761)	(3,303)
Drawdown of borrowings	272,713	322,629
Repayment of borrowings	(233,860)	(297,108)
Repayment of Islamic Securities	(20,000)	(45,000)
Repayment of finance lease payables	(1,191)	(1,166)
Purchase of treasury shares	(5,137)	(13,303)
Dividend paid	(15,109)	(44,362)
Dividend paid to non-controlling interests	(4,130)	(2,940)
Proceeds from issuance of shares	35,851	32,765
Proceeds from conversion of warrants	37,037	60,772
Proceeds from disposal of treasury shares	-	11,350
Net cash generated from financing activities	<u>35,217</u>	<u>45,559</u>

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

	Current Year Ended 31.12.2014 RM'000	Preceding Year Ended 31.12.2013 RM'000
Net (decrease) / increase in cash and cash equivalents	(9,885)	220,112
Cash and cash equivalents at the beginning of financial year	267,439	45,901
Effect of exchange rate changes	9,371	1,426
Cash and cash equivalents at the end of financial year	<u>266,925</u>	<u>267,439</u>
Cash and cash equivalents comprise:-		
Fixed deposits with licensed banks	160,984	152,757
Cash held under Housing Development Accounts	89,132	57,978
Cash and bank balances	82,315	78,610
Bank overdrafts	(13,264)	(762)
	<u>319,167</u>	<u>288,583</u>
Less : Fixed deposits pledged with licensed banks	(42,670)	(15,333)
Cash and bank balances pledged	(9,572)	(5,811)
	<u>266,925</u>	<u>267,439</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 Financial Reporting Standards ('FRSs') 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	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle		1 July 2014
Annual Improvements to FRSs 2012 – 2014 Cycle		1 January 2016
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016

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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
Amendments to FRS 101	Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying to Consolidation Exception	1 January 2016
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 subsequent 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 year-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 559,100 and 603,350 and 73,700 and 128,300 and 29,750 and 15,300 and 59,500 and 45,900 and 95,000 ordinary shares of RM1.00 each for cash at RM1.00 and RM1.081 and RM1.218 and RM1.35 and RM1.455 and RM1.50 and RM1.53 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 37,037,000 warrants were converted into ordinary shares of RM1.00 each which resulted in 37,037,000 ordinary shares of RM1.00 each being issued and converted.
- (iii) Share buyback by the Company
The Company repurchased 3,315,300 of its issued shares from the open market for a total consideration of RM5,137,248 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

There was no dividend paid during the quarter under review.

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A9. Segment information

Year ended 31 December 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	615,183	16,214	20,816	18,184	-	670,397	-	670,397
Inter-segment	-	278,883	212,111	-	(490,994)	-	-	-
Total Revenue	615,183	295,097	232,927	18,184	(490,994)	670,397	-	670,397
RESULTS								
Segment results	104,827	15,753	5,423	(11,646)	-	114,357	-	114,357
Interest income	3,934	112	892	70	-	5,008	-	5,008
Finance costs	(8,258)	(721)	(7,241)	(228)	-	(16,448)	-	(16,448)
Share of results of associates	-	-	1,446	-	-	1,446	-	1,446
Profit / (loss) before taxation	100,503	15,144	520	(11,804)	-	104,363	-	104,363
Taxation	(32,124)	(4,077)	(2,322)	1,409	-	(37,114)	-	(37,114)
Profit/ (loss) for the financial year	68,379	11,067	(1,802)	(10,395)	-	67,249	-	67,249
Assets								
Additional investment in associate companies	350	-	9,755	-	-	10,105	-	10,105
Additional to non-current assets	48,495	2,260	794	318	-	51,867	-	51,867
Segment assets	1,248,809	97,929	653,614	222,244	-	2,222,596	-	2,222,596
Other non-cash expenses								
Depreciation	2,067	1,348	32	12,167	-	15,614	-	15,614
Impairment of goodwill in subsidiary companies	6,633	-	-	-	-	6,633	-	6,633
Impairment of associate company	200	-	-	-	-	200	-	200
Loss on disposal of property, plant and equipment	141	18	-	2	-	161	-	161
Loss on disposal of other investments	-	-	1,913	-	-	1,913	-	1,913
Property, plant and equipment written off	13	1	-	3	-	17	-	17
Bad debts written off	5	22	-	-	-	27	-	27
Development costs written off	-	178	-	-	-	178	-	178
Unrealised loss on foreign exchange	-	-	1,517	130	-	1,647	-	1,647
Fair value adjustment on non-current assets and non-current liabilities, net	4,980	-	-	-	-	4,980	-	4,980
Share based payment	-	-	3,848	-	-	3,848	-	3,848

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A9. Segment information (cont'd)

Year ended 31 December 2014(cont'd)

	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
Other non-cash income								
Reversal of impairment on receivables	(41)	-	-	-	-	(41)	-	(41)
Fair value adjustment on non-current assets and non-current liabilities, net	-	-	(17,070)	-	-	(17,070)	-	(17,070)
Gain on disposal of non-current assets classified as held for sales	-	(70)	-	-	-	(70)	-	(70)
Gain on disposal of property, plant and equipment	(219)	(8)	-	-	-	(227)	-	(227)
Unrealised gain on foreign exchange	-	-	(255)	(216)	-	(471)	-	(471)

Year ended 31 December 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	518,500	-	10,456	4,577	-	533,533	14,863	548,396
Inter-segment	-	218,621	180,825	-	(399,446)	-	-	-
Total Revenue	518,500	218,621	191,281	4,577	(399,446)	533,533	14,863	548,396
RESULTS								
Segment results	101,714	(77)	338,614	(2,250)	-	438,001	3,231	441,232
Interest income	2,863	-	1,218	16	-	4,097	38	4,135
Finance costs	(10,014)	-	(4,824)	(333)	-	(15,171)	-	(15,171)
Share of results of associates	-	-	(25)	-	-	(25)	-	(25)
Profit / (loss) before taxation	94,563	(77)	334,983	(2,567)	-	426,902	3,269	430,171
Taxation	(33,675)	(182)	633	338	-	(32,886)	39	(32,847)
Profit/ (loss) for the financial year	60,888	(259)	335,616	(2,229)	-	394,016	3,308	397,324
Assets								
Additional investment in associate companies	-	-	300	-	-	300	-	300
Additional to non-current assets	155,381	1,814	137,201	494,566	-	788,962	-	788,962
Segment assets	1,126,629	54,319	613,207	215,657	-	2,009,812	-	2,009,812

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A9. Segment information (cont'd)

Year ended 31 December 2013(cont'd)

	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
Other non-cash expenses								
Bad debts written off	82	-	-	-	-	82	-	82
Depreciation	2,770	59	4	3,055	-	5,888	-	5,888
Property, plant and equipment written off	20	252	15	-	-	287	-	287
Loss on disposal of property, plant and equipment	36	-	-	-	-	36	-	36
Unrealised loss on foreign exchange	-	-	2,108	23	-	2,131	228	2,359
Impairment on investment properties	-	-	49	-	-	49	-	49
Impairment on trade and others receivables	25	-	-	1	-	26	-	26
Impairment on goodwill in subsidiary companies	9,139	-	-	-	-	9,139	-	9,139
Unquoted investment written off	5	-	-	-	-	5	-	5
Share based payment	-	-	3,193	-	-	3,193	-	3,193
Other non-cash income								
Unrealised gain on foreign exchange	-	(1,060)	-	(485)	-	1,545	(404)	(1,949)
Gain on disposal of property, plant and equipment	(226)	(1)	-	-	-	(227)	(8)	(235)
Gain on disposal of subsidiary companies	-	(341,656)	-	-	-	(341,616)	-	(341,616)
Gain on disposal of non-current assets classified as held for sale	-	(2,385)	-	-	-	(2,385)	-	(2,385)
Gain on disposal of associate companies	-	(92)	-	-	-	(92)	-	(92)
Negative goodwill written off	-	(3,297)	-	-	-	(3,297)	-	(3,297)
Reversal of impairment on trade and others receivables	(232)	-	-	-	-	(232)	-	(232)
Fair value adjustment on non-current assets and non-current liabilities, net	(1,541)	-	-	-	-	(1,541)	-	(1,541)

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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 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 Bina Holdings Sdn. Bhd. ("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. Consequently, the Company holds 18,331,023 shares representing 20.45% of total issued and paid-up capital of ML Global and 9,165,514 warrants representing 34.27% of total warrants issued of ML Global.
- (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 its wholly-owned subsidiary, Sinaran Restu Sdn. Bhd. ("SRSB"). Consequently, IKSB has ceased to be direct associate company 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 Nuevoprime 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.
- (vii) On 19 November 2014, LBS has acquired additional One Hundred and Twenty-Five Thousand (125,000) ordinary share of RM1.00 each in Pembangunan Primer Sdn. Bhd. ("PPSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twelve Million (RM12,000,000) only. Consequently, PPSB became a 80% subsidiary of LBS.
- (viii) On 1 December 2014, a total of 111,300 Shares Options under ESOS were granted at the subscription price at RM1.51 to the eligible employees under the Nineteenth 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 January 2015, a total of 261,800 Shares Options under ESOS were granted at the subscription price at RM1.44 to the eligible employees under the Twentieth Grant of the ESOS.
- (ii) On 9 January 2015, MITC Engineering Sdn. Bhd. ("MITCE"), a 75% subsidiary of MITC Sdn. Bhd., an indirectly wholly-owned subsidiary of the Company has acquired Twenty-Five Thousand (25,000) ordinary shares of RM1.00 each in Prisma Kasturi Sdn. Bhd. ("PKSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Two (RM2) only. Consequently, PKSB became a wholly-owned subsidiary of MITCE.
- (iii) On 23 January 2015, LBS has subscribed for Five Hundred and Fifty (550) ordinary shares of RM1.00 each in Megah Solaris Sdn. Bhd. ("MSSB") for a total cash consideration of Ringgit Malaysia Five Hundred and Fifty (RM550) only. Consequently, MSSB became a 55% subsidiary of LBS.
- (iv) On 2 February 2015, a total of 135,100 Shares Options under ESOS were granted at the subscription price at RM1.40 to the eligible employees under the Twenty-First Grant of the ESOS.

There were no material subsequent events as at 19 February 2014, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

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

	Amount RM'000
Approved and contracted for property development:	
- Sales and Purchase Agreements	148,116
- Joint Venture Agreements	226,584
- Privatisation Agreements	60,000
	<u>434,700</u>

A14. Changes in contingent assets or contingent liabilities

	31.12.2014 RM'000	31.12.2013 RM'000
Bank guarantees issued for property development	<u>15,366</u>	<u>4,893</u>

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

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A15. Significant related party transactions

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

	Amount RM'000
Income	
Sale of development properties	8,550
Rental income	17
Rendering of insurance services	39
Expense	
Contractor fee	18,682
Legal fees	431
Rental expenses	134

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 RM171 million and RM32 million respectively. Without taking into consideration of the gain upon disposal and acquisition of our China investment in the corresponding quarter in the year 2013, these represent 9% increase in revenue and 55% increase in PBT over the results recorded in the corresponding quarter in the year 2013.

For the financial year ended 31 December 2014, the Group recorded revenue and PBT of approximately RM670 million and RM104 million respectively. These represent 26% increase in revenue and 27% increase in PBT over the results recorded in the preceding year 2013 without taking into consideration of the gain upon disposal and acquisition of our China investment in the financial year ended 31 December 2013.

The improved revenue and PBT for the financial year ended 31 December 2014 were mainly attributable to the projects at Bandar Saujana Putra, D' Island Residence, Cameron Golden Hills and Bandar Putera Indah.

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 RM171 million and RM32 million respectively as compared to the revenue and PBT of approximately RM148 million and RM23 million respectively in the immediate preceding quarter.

The improved revenue and PBT are attributable to higher progressive recognition of revenue and profit from its on-going projects.

B3. Prospects for the next financial year

The Group has achieved sales of RM644 million in the year 2014.

The Group plans to launch its new projects in Klang Valley, Pahang, Johor and will continue to source for strategic development lands to further enhance its financial performance.

With the Group's 18 ongoing projects, unbilled sales of approximately RM538 million as at 31 January 2015 and new project launches in year 2015, the Group is confident of achieving further improvement in its financial performance for the financial year ending 31 December 2015.

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 31.12.2014 RM'000	Preceding year Quarter 31.12.2013 RM'000	Current year To date 31.12.2014 RM'000	Preceding year To date 31.12.2013 RM'000
<u>Continuing operations:</u>				
Current year's provision	10,174	7,343	38,415	32,256
Under provision	478	849	1,795	1,361
Deferred taxation	(1,408)	374	(3,096)	(731)
Total tax expense	9,244	8,566	37,114	32,886
<u>Discontinued operations:</u>				
Current year's provision	-	-	-	2
Over provision	-	1	-	(25)
Deferred taxation	-	-	-	(16)
Total tax	-	1	-	(39)
Total	9,244	8,567	37,114	32,847

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 19 February 2015, 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.

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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 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.

The Regularisation Plan of ML Global had been completed on 31 October 2014.

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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.

Cash proceeds of HKD500 million and new Zhuhai Holdings shares have been received on completion date. HKD500 million has been fully utilized in February 2015.

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 the Promissory Notes. Such sum has been received on 30 December 2014.

The status of the utilisation of HKD500 million and HKD250 million as at 19 February 2015, 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:

a) HKD500 million

	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	(12,829)	11,520	-	-	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	(68,188)	(17,461)	(17,461)	-34%	Within 1 year
Reduction of other payables	1,2,4	128,905	53,998	(53,320)	678	-	-	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%	
	5	500,000	209,450	(209,450)	-	(54,091)	-134%	

b) HKD250million (Tranche 1 of Promissory Notes)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for Utilisation
		HKD'000	RM'000	RM'000	RM'000	RM'000	%	
Reduction of bank borrowings	1,2,4	121,951	54,976	(28,657)	26,319	-	-	Within 1 year
Special Dividend	1,2,4	78,049	35,184	(31,427)	3,757	-	-	Within 1 month
Payment for trade and other payables	1,2,3	24,390	10,995	(30,075)	(19,080)	(19,080)	-173.53%	Within 1 year
Operating expenses	1,2,4	25,610	11,545	(1)	11,544	-	-	Within 1 year
	5	250,000	112,700	(90,160)	22,540	(19,080)	-173.53%	

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

Note :

- 1) a) HKD500 million
Adopted the exchange rate of HKD1.00 : RM0.4189, being the closing rate as at completion date published by Bank Negara.
- b) HKD250 million
Adopted the exchange rate of HKD1.00 : RM0.4508, being the closing rate as at 31 December 2014 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 specific purpose 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.
- 5) a) HKD500 million
Fully utilised in February 2015.
- b) HKD250 million
Not yet fully utilised.

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 19 February 2015, 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 has been fully utilised in July 2014.

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B9. Borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Finance lease payables	1,026	-	1,026
Bank overdrafts	13,264	-	13,264
Bank borrowings	173,964	-	173,964
Short term borrowings	188,254	-	188,254
Finance lease payables	3,688	-	3,688
Bank borrowings	275,666	-	275,666
Islamic commercial papers / Islamic medium term notes	10,000	-	10,000
Long term borrowings	289,354	-	289,354
Total borrowings	477,608	-	477,608

Currency exposure profiles of borrowings were as follow:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	344,480	-	344,480
Hong Kong Dollar	113,346	-	113,346
United States Dollar	19,782	-	19,782
	477,608	-	477,608

B10. Changes in material litigation

There was no material litigation as at 19 February 2015, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B11. Dividend declared

The Company has declared a special dividend of 6 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014 which was paid on 6 February 2015 to depositors registered in the Record of Depositors on 27 January 2015.

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 31.12.2014	Preceding year to date 31.12.2013
Profit attributable to equity holders of the Company (RM'000)		
- continuing operations	70,082	389,840
- discontinued operations	-	2,823
	70,082	392,663
Weighted average number of ordinary shares in issue ('000)	497,334	408,618
Basic EPS (sen)		
- continuing operations	14.09	95.40
- discontinued operations	-	0.69
Total	14.09	96.09

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B12. Earnings per share ("EPS") (Cont'd)

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 31.12.2014	Preceding year to date 31.12.2013
Profit attributable to equity holders of the Company (RM'000)		
- continuing operations	70,082	389,840
- discontinued operations	-	2,823
	<u>70,082</u>	<u>392,663</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>520,839</u>	<u>426,561</u>
Diluted EPS (sen)		
- continuing operations	13.46	91.39
- discontinued operations	-	0.66
Total	<u>13.46</u>	<u>92.05</u>

B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current quarter 31.12.2014 RM'000	Current Year to date 31.12.2014 RM'000
Depreciation	(4,189)	(15,614)
Impairment of goodwill arising on consolidation	(3,935)	(6,633)
Impairment on investment in associate company	(200)	(200)
Property, plant and equipment written off	(9)	(17)
Bad debts written off	(22)	(27)
Development cost written off	(178)	(178)
Share based payment	(465)	(3,848)
Loss on disposal of other investments	(1,913)	(1,913)
Unrealised loss on foreign exchange	(598)	(1,175)
(Loss) / Gain on disposal of property, plant and equipment	(1)	66
Fair value adjustment on non-current assets & non-current liabilities, net	12,166	12,090
Gain on disposal of non-current assets classified as held for sales	70	70
Reversal of impairment on receivables	<u>22</u>	<u>41</u>

LBS BINA GROUP BERHAD (518482-H)**B14. Realised and unrealised profits / (losses)**

	Unaudited 31.12.2014 RM '000	Audited 31.12.2013 RM '000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	749,952	698,835
- Unrealised	(2,639)	(1,376)
	<hr/> 747,313	<hr/> 697,459
Total share of retained profits/(accumulated losses) from associate companies:-		
- Realised	963	(288)
- Unrealised	-	-
	<hr/> 748,276	<hr/> 697,171
Less : Consolidation adjustments	(277,011)	(281,323)
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 471,265	<hr/> <hr/> 415,848

The disclosure of realised and unrealised profits / (losses) above is solely for compliance with the directive issue by the Bursa Malaysia and should not be used for any other purpose.

By Order of the Board,

Cynthia Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
27 February 2015