



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

Interim Financial Report

31 March 2015

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LBS BINA GROUP BERHAD (518482-H)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2015**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2015 RM'000	Preceding Year Quarter 31.03.2014 RM'000	Current Year To date 31.03.2015 RM'000	Preceding Year To date 31.03.2014 RM'000
Revenue		130,843	145,423	130,843	145,423
Cost of sales		(87,448)	(103,153)	(87,448)	(103,153)
Gross profit		43,395	42,270	43,395	42,270
Interest Income		1,506	1,197	1,506	1,197
Other income		3,934	1,022	3,934	1,022
Operating expenses		(24,757)	(22,760)	(24,757)	(22,760)
Finance costs		(5,091)	(3,611)	(5,091)	(3,611)
Share of results of associates		33	(15)	33	(15)
Profit before taxation		19,020	18,103	19,020	18,103
Taxation	B5	(8,323)	(7,534)	(8,323)	(7,534)
Net profit for the financial period		10,697	10,569	10,697	10,569
Net profit for the financial period attributable to: -					
Owners of the Parent		11,568	11,190	11,568	11,190
Non-controlling interests		(871)	(621)	(871)	(621)
		10,697	10,569	10,697	10,569
Earnings per share attributable to owners of the Parent					
Basic (sen)	B12	2.18	2.38	2.18	2.38
Diluted (sen)	B12	2.12	2.21	2.12	2.21

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2015 (cont'd)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2015 RM'000	Preceding Year Quarter 31.03.2014 RM'000	Current Year To date 31.03.2015 RM'000	Preceding Year To date 31.03.2014 RM'000
Net profit for the financial period	10,697	10,569	10,697	10,569
Other comprehensive income, net of tax:				
Exchange translation differences for foreign currency	23,013	(1,140)	23,013	(1,140)
Loss on revaluation of available-for-sale financial assets	(19,534)	(3,759)	(19,534)	(3,759)
Reclassification adjustment for disposal of available-for-sale financial assets	(54)	-	(54)	-
Total comprehensive income for the financial period	<u>14,122</u>	<u>5,670</u>	<u>14,122</u>	<u>5,670</u>
Total other comprehensive income for the financial period attributable to:				
Owners of the Parent	16,041	6,137	16,041	6,137
Non-controlling interests	(1,919)	(467)	(1,919)	(467)
	<u>14,122</u>	<u>5,670</u>	<u>14,122</u>	<u>5,670</u>

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As at 31 March 2015

	Note	31.03.2015 (Unaudited) RM'000	31.12.2014 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	223,099	214,445
Capital work-in-progress		1,255	208
Land and property development costs		444,122	347,549
Investment properties		33,128	33,198
Investment in associated companies		14,353	13,868
Promissory note		169,154	159,662
Other investments		125,775	136,870
Goodwill on consolidation		87,144	87,142
Deferred tax assets		3,181	2,989
		1,101,211	995,931
Current Assets			
Land and property development costs		417,366	383,730
Inventories		13,203	13,024
Accrued billings in respect of property development costs		144,461	123,689
Trade and other receivables		235,346	248,902
Promissory note		90,971	85,867
Other investments		5,500	27,071
Tax recoverable		7,904	8,985
Fixed deposits with licensed banks		56,463	160,984
Cash held under Housing Development Accounts		67,437	89,132
Cash and bank balances		96,643	82,321
		1,135,294	1,223,705
TOTAL ASSETS		2,236,505	2,219,636
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the Parent			
Share capital		541,076	538,298
Reserves		454,371	445,443
Treasury shares, at cost		(15,252)	(14,679)
		980,195	969,062
Non-controlling interests		(9,055)	(7,207)
Total Equity		971,140	961,855

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 31 March 2015 (cont'd)

		31.03.2015	31.12.2014
		(Unaudited)	(Audited)
	Note	RM'000	RM'000
Non-current Liabilities			
Bank borrowings	B9	237,960	274,566
Trade and other payables		104,951	99,446
Finance lease payables	B9	3,827	3,688
Deferred tax liabilities		42,796	40,986
		<u>389,534</u>	<u>418,686</u>
Current Liabilities			
Progress billings in respect of property development costs		139,315	116,800
Trade and other payables		535,783	516,533
Bank overdrafts	B9	11,135	13,264
Finance lease payables	B9	1,069	1,026
Islamic Securities	B9	-	10,000
Bank borrowings	B9	179,715	173,964
Tax payable		8,814	7,508
		<u>875,831</u>	<u>839,095</u>
Total Liabilities		<u>1,265,365</u>	<u>1,257,781</u>
TOTAL EQUITY AND LIABILITIES		<u>2,236,505</u>	<u>2,219,636</u>
Net Assets per share attributable to owners of the Parent (RM)		<u>1.85</u>	<u>1.84</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 31 March 2015

	←----- Attributable to owners of the Parent ----->											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 1.1.2015	538,298	(14,679)	44,587	9,945	47,987	-	5,172	(101,526)	439,278	969,062	(7,207)	961,855
Amount recognised directly in equity:												
Net profit for the financial period	-	-	-	-	-	-	-	-	11,568	11,568	(871)	10,697
Foreign currency translation	-	-	-	-	24,061	-	-	-	-	24,061	(1,048)	23,013
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	-	(19,534)	-	(19,534)	-	(19,534)
Reclassification adjustment for disposal of available-for-sale financial assets	-	-	-	-	-	-	-	(54)	-	(54)	-	(54)
Total comprehensive income for the financial period	-	-	-	-	24,061	-	-	(19,588)	11,568	16,041	(1,919)	14,122
Transactions with owners:												
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	-	(7,477)	-	(7,477)	71	(7,406)
Realisation of subsidiary company's reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Conversion of warrants	2,380	-	238	-	-	-	(238)	-	-	2,380	-	2,380
- Exercise of ESOS	398	-	51	-	-	-	-	-	-	449	-	449
Share-based payment	-	-	-	313	-	-	-	-	-	313	-	313
Shares repurchased	-	(573)	-	-	-	-	-	-	-	(573)	-	(573)
Total transactions with owners	2,778	(573)	289	313	-	-	(238)	(7,477)	-	(4,908)	71	(4,837)
Balance as at 31.03.2015	541,076	(15,252)	44,876	10,258	72,048	-	4,934	(128,591)	450,846	980,195	(9,055)	971,140

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 31 March 2015 (cont'd)

	←----- Attributable to owners of the Parent ----->											
	<----- Non-distributable ----->										<-Distributable->	
	Foreign											
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	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:												
Net profit for the financial period	-	-	-	-	-	-	-	-	11,190	11,190	(621)	10,569
Foreign currency translation	-	-	-	-	(1,294)	-	-	-	-	(1,294)	154	(1,140)
Gain on revaluation of available-for-sale financial assets	-	-	-	-	-	-	(3,759)	-	-	(3,759)	-	(3,759)
Total comprehensive income for the financial period	-	-	-	-	(1,294)	-	-	(3,759)	11,190	6,137	(467)	5,670
Transactions with owners:												
Realisation of subsidiary company's reserve	-	-	-	-	-	(32)	-	-	32	-	-	-
Issuance of ordinary shares:												
- Exercise of ESOS	638	-	24	-	-	-	-	-	-	662	-	662
Share-based payment	-	-	-	1,125	-	-	-	-	-	1,125	-	1,125
Shares repurchased	-	(2,698)	-	-	-	-	-	-	-	(2,698)	-	(2,698)
Total transactions with owners	638	(2,698)	24	1,125	-	(32)	-	-	32	(911)	-	(911)
Balance as at 31.03.2014	480,289	(12,239)	26,665	7,446	16,022	157	8,875	(79,403)	427,071	874,883	2,516	877,399

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 2014 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
- For the financial period ended 31 March 2015

	Current Period Ended 31.03.2015 RM'000	Preceding Period Ended 31.03.2014 RM'000
Profit before taxation	19,020	18,103
Adjustments for :-		
Non-cash items	5,268	5,485
Other operating items	3,551	2,428
Operating profit before changes in working capital	<u>27,839</u>	<u>26,016</u>
Changes in working capital		
Inventories	(177)	(22)
Land and property development costs	(129,306)	(4,320)
Amount owing by/ to contract customers	3,269	(98)
Accrued / progress billings in respect of property development costs	1,743	(47,718)
Receivables	48,411	6,667
Payables	15,934	(21,370)
Foreign exchange reserve	1,201	464
	<u>(58,925)</u>	<u>(66,397)</u>
Cash used in operations	<u>(31,086)</u>	<u>(40,381)</u>
Interest received	1,506	1,197
Interest paid	(5,994)	(6,598)
Tax paid	(6,819)	(9,313)
Tax refund	303	1,760
	<u>(11,004)</u>	<u>(12,954)</u>
Net cash used in operating activities	<u>(42,090)</u>	<u>(53,335)</u>
Cash Flows From Investing Activities		
Additional investment in subsidiary or associated companies	(1,614)	-
Repayment of prior year investment in subsidiary associated companies	(8,476)	(12,738)
Purchase of property, plant and equipment	(1,736)	(873)
Purchase of investment properties	(100)	(303)
Additional in other investments	(500)	-
Proceeds from disposal of property, plant and equipment	8	1
Proceeds from disposal of investment in mutual fund	22,096	-
Acquisition of subsidiary companies, net of cash acquired	1	-
Capital work-in-progress incurred	-	(2,279)
Net cash generated from/(used in) investing activities	<u>9,679</u>	<u>(16,192)</u>
Cash Flows From Financing Activities		
Decrease in fixed deposit pledged	18,557	5,583
Decrease in cash and bank balances pledged	1,682	880
Drawdown of borrowings	38,030	63,714
Repayment of borrowings	(82,035)	(79,322)
Dividend paid	(33,986)	-
Purchase of treasury shares	(573)	(2,698)
Proceeds from conversion of warrants	2,380	-
Proceeds from exercise of ESOS	449	661
Repayment of finance lease payables	(285)	(299)
Repayment of Islamic Securities	(10,000)	(10,000)
Net cash used in financing activities	<u>(65,781)</u>	<u>(21,481)</u>

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)****- For the financial period ended 31 March 2015 (cont'd)**

	Current Period Ended 31.03.2015 RM'000	Preceding Period Ended 31.03.2014 RM'000
Net decrease in cash and cash equivalents	(98,192)	(91,008)
Effect of exchange rate changes	8,664	(69)
Cash and cash equivalents at the beginning of the financial period	267,789	267,439
Cash and cash equivalents at the end of the financial period	<u>178,261</u>	<u>176,362</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	56,463	34,619
Cash held under Housing Development Accounts	67,437	68,982
Cash and bank balances	96,643	87,682
Bank overdrafts	<u>(11,135)</u>	<u>(640)</u>
	209,408	190,643
Less : Fixed deposits pledged with licensed banks	(24,113)	(9,350)
Cash and bank balances pledged	<u>(7,034)</u>	<u>(4,931)</u>
	<u>178,261</u>	<u>176,362</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 2014 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 2014. 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 2014.

A2. Changes in accounting policies

Basis 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 IC interpretation

During the financial year, the Group have adopted the following Amendments to FRSs and IC Interpretation issued by the Malaysian Accounting Standards Board (“MASB”) that are 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

The 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 new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group:-

	<u>Effective date for financial periods beginning on or after</u>
Amendments to FRS 119	1 July 2014
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	1 January 2016
Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	1 January 2016
Accounting for Acquisitions of Interests in Joint Operations	
Amendments to FRS 116 and FRS 138	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation	
Amendments to FRS 127	1 January 2016
Equity Method in Separate Financial Statements	

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

		<u>Effective date for financial periods 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* (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 *Financial Instruments: Recognition and Measurement*.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

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

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

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”).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2017. In presenting their first MFRS financial statements, the Group and the Company 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 earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ended 31 December 2014 could be different if prepared under the MFRS Framework.

A3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2014 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.

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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, 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 66,200 and 273,200 and 15,300 and 15,300 and 27,600 ordinary shares of RM1.00 each for cash at RM1.00 and RM1.081 and RM1.35 and RM1.55 and RM1.56 per ordinary 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 2,380,400 warrants were converted into ordinary shares of RM1.00 each which have resulted in 2,380,400 ordinary shares of RM1.00 each being issued.
- (iii) Share repurchased by the Company
The Company repurchased 380,000 of its issued shares from the open market for a total consideration of RM572,898 and held as Treasury Shares.

A8. Dividend paid

During the financial quarter under review, a Special Dividend of 6 sen per ordinary share (exempt from Income Tax) of RM1.00 each in respect of the financial year ended 31 December 2014 was paid on 6 February 2015.

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A9. Segment information

Period ended 31 March 2015

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	98,542	82,503	15,003	4,946	200,994
Less: Inter-segment sales	-	(57,645)	(12,506)	-	(70,151)
Total revenue	<u>98,542</u>	<u>24,858</u>	<u>2,497</u>	<u>4,946</u>	<u>130,843</u>
RESULTS					
Segment results	22,995	2,670	(1,794)	(1,299)	22,572
Interest income	1,260	3	151	92	1,506
Finance costs	(2,178)	(340)	(2,082)	(491)	(5,091)
Share of profit in associated companies	-	-	33	-	33
Profit/(loss) before taxation	<u>22,077</u>	<u>2,333</u>	<u>(3,692)</u>	<u>(1,698)</u>	<u>19,020</u>
Taxation	(7,977)	(34)	(704)	392	(8,323)
Net profit/(loss) for the financial period	<u>14,100</u>	<u>2,299</u>	<u>(4,396)</u>	<u>(1,306)</u>	<u>10,697</u>
Assets					
Additional investment in associated company	-	-	451	-	451
Additions to non-current assets	99,024	145	(17,923)	-	81,246
Segment assets	<u>1,465,117</u>	<u>84,541</u>	<u>455,479</u>	<u>231,368</u>	<u>2,236,505</u>
Other non-cash expenses					
Depreciation of property, plant and equipment	428	342	66	3,317	4,153
Depreciation of investment properties	62	107	1	-	170
Loss on disposal of property, plant and equipment	5	-	-	-	5
Property, plant and equipment written off	-	-	-	1	1
Unrealised loss on foreign exchange	-	-	724	-	724
Share-based payment	-	-	313	-	313
Other non-cash income					
Gain on disposal of investment in mutual fund	-	-	(80)	-	(80)
Gain on disposal of property, plant and equipment	-	(1)	-	-	(1)
Unrealised gain on foreign exchange	(1)	-	-	(18)	(19)

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A9. Segment information (cont'd)

Period ended 31 March 2014

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	137,001	63,706	19,502	3,142	223,351
Less: Inter-segment sales	-	(63,706)	(14,222)	-	(77,928)
Total revenue	<u>137,001</u>	<u>-</u>	<u>5,280</u>	<u>3,142</u>	<u>145,423</u>
RESULTS					
Segment results	27,438	(16)	(3,007)	(3,883)	20,532
Interest income	682	-	491	24	1,197
Finance costs	(3,336)	-	(490)	215	(3,611)
Share of loss in associated companies	-	-	(15)	-	(15)
Profit/(loss) before taxation	<u>24,784</u>	<u>(16)</u>	<u>(3,021)</u>	<u>(3,644)</u>	<u>18,103</u>
Taxation	(7,700)	-	(191)	357	(7,534)
Net profit/(loss) for the financial period	<u>17,084</u>	<u>(16)</u>	<u>(3,212)</u>	<u>(3,287)</u>	<u>10,569</u>
Assets					
Additions to non-current assets	9,048	399	-	86	9,533
Segment assets	<u>1,171,404</u>	<u>42,381</u>	<u>520,593</u>	<u>215,656</u>	<u>1,950,034</u>
Other non-cash expenses					
Depreciation of property, plant and equipment	688	3	24	3,117	3,832
Depreciation of investment properties	60	-	-	-	60
Property, plant and equipment written off	4	1	-	-	5
Unrealised loss on foreign exchange	-	-	-	509	509
Share-based payment	-	-	1,125	-	1,125
Other non-cash income					
Unrealised gain on foreign exchange	-	-	(45)	-	(45)

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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 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 company of MITC Sdn. Bhd., an indirectly wholly-owned subsidiary company 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 company of MITCE.
- (iii) On 23 January 2015, LBS Bina Holdings Sdn. Bhd. ("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 company 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.
- (v) On 1 March 2015, a total of 148,700 shares options under ESOS were granted at the subscription price at RM1.40 to the eligible employees under the Twenty-Second Grant of the ESOS.
- (vi) On 25 March 2015, LBS has acquired Forty-Five Thousand (45,000) ordinary shares of RM1.00 each in Iringan Kejora Sdn Bhd ("IKSB") for a total cash consideration of Ringgit Malaysia Seven Million and Five Hundred Thousand (RM7,500,000) only. Consequently, IKSB became a 60% subsidiary company of LBS.
- (vii) On 30 March 2015, Casa Inspirasi Sdn Bhd ("CISB"), a subsidiary company of LBS has increased its paid-up share capital from 275,000 to 500,000 ordinary shares of RM1.00 each. LBS has subscribed 130,500 ordinary shares of RM1.00 each in CISB by way of capitalisation. CISB remained as 58 % subsidiary company of LBS.
- (viii) During the financial quarter under review, the Company has acquired 1,093,200 ordinary shares of RM0.50 each in ML Global Berhad (formerly known as VTI Vintage Berhad) ("ML Global") for a total cash consideration of Ringgit Malaysia Four Hundred Sixty Eight Thousand Four Hundred and Eighty Five (RM468,485) only. Consequently, ML Global became a 23.28% associated company of the Company.

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

A12. Material subsequent events

- (i) On 1 April 2015, RHBIB announced on behalf of the Company that the Extension of Time will lapse on 2 April 2015 and the Company does not intend to seek for any further extension of time for the implementation of the Private Placement.
- (ii) On 1 April 2015, a total of 1,879,150 shares options under ESOS were granted at the subscription price at RM1.35 to the eligible employees under the Twenty-Third Grant of the ESOS.

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A12. Material subsequent events (Cont'd)

- (iii) On 3 April 2015, Sinaran Restu Sdn Bhd ("SRSB"), a wholly-owned subsidiary company of LBS has increased its paid up share capital from 3,000,000 to 13,000,000 ordinary shares of RM1.00 each. LBS has subscribed for an additional of 10,000,000 ordinary shares of RM1.00 each in SRSB by way of capitalisation.
- (iv) On 21 April 2015, MITCE acquired One (1) ordinary share of RM1.00 each of Esquire Outlet Sdn. Bhd. ("EOSB") for a total cash consideration of Ringgit Malaysia One (RM1) only. On 22 April 2015, MITCE has subscribed Twenty-Nine (29) ordinary shares of RM1.00 each in EQSB. Consequently, EOSB became a 30% associated company of MITCE.
- (v) On 1 May 2015, a total of 325,700 shares options under ESOS were granted at the subscription price at RM1.40 to the eligible employees under the Twenty-Fourth Grant of the ESOS.

There were no other material subsequent events as at 21 May 2015, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 March 2015 were as follows:

	Amount RM'000
Approved and contracted for property development:	
- Sales and Purchase Agreements	83,478
- Joint Venture Agreements	290,537
- Privatisation Agreements	60,000
	<u>434,015</u>

A14. Changes in contingent assets or contingent liabilities

	31.03.2015 RM'000	31.03.2014 RM'000
Bank guarantees issued for property development	<u>23,843</u>	<u>13,652</u>

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

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A15. Significant related party transactions

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

	Amount RM'000
Income	
Rental income	6
Rendering of insurance services	1
Expense	
Contractor fee	5,743
Legal fees	206
Rental expenses	34

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 subsidiary companies have financial interest;
- (iii) A company in which the Company has financial interest;
- (iv) Persons who have financial interest in subsidiary companies; and
- (v) Directors and key management personnel of the Company or its subsidiary companies 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 RM131 million and RM19 million respectively. These represent 10% decrease in revenue and 5% increase in PBT over the results recorded in the corresponding quarter in the year 2014.

Despite a lower turnover, PBT has increased due to improved profit margin.

The PBT for the current quarter was mainly attributable to the projects at Bandar Saujana Putra, D' Island Residence, Cameron Golden Hills, Bandar Putera Indah and Sinaran Mahkota.

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 RM131 million and RM19 million respectively as compared to the revenue and PBT of approximately RM169 million and RM32 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, unbilled sales of approximately RM674 million as at 30 April 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 breakdowns of tax expense were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.03.2015 RM'000	Preceding year Quarter 31.03.2014 RM'000	Current year To date 31.03.2015 RM'000	Preceding year To date 31.03.2014 RM'000
Current year tax provision	8,906	7,995	8,906	7,995
Under provision in prior years	-	(13)	-	(13)
Deferred taxation	(583)	(448)	(583)	(448)
Total tax expense	<u>8,323</u>	<u>7,534</u>	<u>8,323</u>	<u>7,534</u>

The effective tax rate of the Group for the current quarter and current financial period were higher than the statutory tax rate of 25% mainly due to losses of certain subsidiary companies which cannot set off against taxable profits made by other subsidiary companies, 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 May 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 company, Equal Sign Sdn. Bhd. entered into a Joint Venture Agreement 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.

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 company of the Company, has entered into Two (2) Sale and Purchase Agreements ("SPAs") with Lembaga Kumpulan Wang Simpanan Pekerja ("KWSP" or "Vendor") for acquiring the following two pieces of 99-year leasehold land (expiring in November 2099) situated in Bandar Johor Bahru, Daerah Johor Bahru in the State of Johor ("the EPF Lands") for a total consideration of RM71,280,000 ("Acquisition"):-
- PN 38855 Lot 24962 measuring approximately 3,498 square meters; and
 - PN 38876 Lot 24963 measuring approximately 14,016 square meters.

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

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

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

The Condition Precedents of this Agreement has been fulfilled and the Agreement has been fully complied whereby the Vacant Possession of the said Lands has been given to the Purchaser on 15 May 2015.

- (iii) On 26 March 2014, the Company's wholly-owned subsidiary company, Intellview Sdn. Bhd. entered into a Conditional Sale and Purchase Agreement 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.

This Agreement has not been completed as the Condition Precedents therein have not been complied.

- (v) On 21 April 2014, Koleksi Sigma Sdn. Bhd., a subsidiary company of the Company entered into a Joint Development Agreement 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.

This Agreement has not been completed as the Condition Precedents therein have not been complied.

- (vi) On 7 May 2014, MITC Sdn. Bhd., a wholly-owned subsidiary company 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.

The Consideration Sum has been fully settled on 20/03/2015.

- (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.

On 1 April 2015, RHBIB announced on behalf of the Company that the Extension of Time will lapse on 2 April 2015 and the Company does not intend to seek for any further extension of time for the implementation of the Private Placement.

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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 company 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 21 May 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%	Within 1 year
	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	(33,165)	21,811	-	0.00%	Within 1 year
Special Dividend	1,2,4	78,049	35,184	(31,427)	3,757	-	0.00%	Within 1 month
Payment for trade and other payables	1,2,3,4	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	-	0.00%	Within 1 year
	5	250,000	112,700	(94,668)	18,032	(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. Borrowings and debt securities

Total Group borrowings and debt securities as at 31 March 2015 were as follows: -

	Secured RM'000
<u>Short term borrowings</u>	
Finance lease payables	1,069
Bank overdrafts	11,135
Bank borrowings	179,715
Total short term borrowings	<u>191,919</u>
<u>Long term borrowings</u>	
Finance lease payables	3,827
Bank borrowings	237,960
Total long term borrowings	<u>241,787</u>
Total borrowings	<u>433,706</u>

Currency exposure profiles of borrowings were as follow:-

	Secured RM'000
Ringgit Malaysia	277,045
Hong Kong Dollar	121,490
United States Dollar	19,140
	<u>417,675</u>

B9. Changes in material litigation

There was no material litigation as at 21 May 2015, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

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B10. 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.

B11. Earnings per share (“EPS”)

Basic EPS

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

	Current year to date 31.03.2015	Preceding year to date 31.03.2014
Net profit attributable to owners of the Parent (RM'000)	<u>11,568</u>	<u>11,190</u>
Weighted average number of ordinary shares in issue ('000)	<u>529,781</u>	<u>470,902</u>
Basic EPS (sen)	<u>2.18</u>	<u>2.38</u>

Diluted EPS

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

	Current year to date 31.03.2015	Preceding year to date 31.03.2014
Net profit attributable to owners of the Parent (RM'000)	<u>11,568</u>	<u>11,190</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>546,624</u>	<u>505,829</u>
Diluted EPS (sen)	<u>2.12</u>	<u>2.21</u>

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B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current Period to date 31.03.2015 RM'000	Current Period to date 31.03.2015 RM'000
Depreciation of property, plant and equipment	(4,153)	(4,153)
Depreciation of investment properties	(170)	(170)
Loss on disposal of property, plant and equipment	(4)	(4)
Property, plant and equipment written off	(1)	(1)
Share-based payment	(313)	(313)
Unrealised loss on foreign exchange	(705)	(705)
Gain on disposal of investment in mutual fund	80	80

B13. Realised and unrealised profits/(losses)

	Unaudited 31.03.2015 RM '000	Audited 31.12.2014 RM '000
Total retained profits/(accumulated losses) of the Company and its subsidiary companies:-		
- Realised	720,702	717,604
- Unrealised	(2,759)	(2,928)
	<u>717,943</u>	<u>714,676</u>
Total share of retained profits/(accumulated losses) from associated companies: -		
- Realised	993	964
- Unrealised	-	-
	<u>718,936</u>	<u>715,640</u>
Less : Consolidation adjustments	(268,090)	(276,362)
Total Group retained profits as per consolidated accounts	<u>450,846</u>	<u>439,278</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,

Dato' Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
28 May 2015