



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

Interim Financial Report

30 June 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 30 June 2015**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2015 RM'000	Preceding Year Quarter 30.06.2014 RM'000	Current Year To date 30.06.2015 RM'000	Preceding Year To date 30.06.2014 RM'000
Revenue		223,022	202,776	353,865	348,199
Cost of sales		(151,932)	(142,019)	(239,380)	(245,172)
Gross profit		71,090	60,757	114,485	103,027
Interest Income		944	1,009	2,450	2,206
Other income		3,419	3,436	7,353	4,458
Operating expenses		(41,868)	(30,689)	(66,625)	(53,449)
Finance costs		(5,534)	(3,309)	(10,625)	(6,920)
Share of profit/ (loss) in associated companies		140	(12)	173	(27)
Profit before taxation		28,191	31,192	47,211	49,295
Taxation	B5	(8,618)	(11,711)	(16,941)	(19,245)
Net profit for the financial period		19,573	19,481	30,270	30,050
Net profit for the financial period attributable to: -					
Owners of the Parent		21,741	19,751	33,309	30,941
Non-controlling interests		(2,168)	(270)	(3,039)	(891)
		19,573	19,481	30,270	30,050
Earnings per share attributable to owners of the Parent					
Basic (sen)	B11	4.08	4.10	6.24	6.43
Diluted (sen)	B11	3.95	3.83	6.05	6.00

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 30 June 2015 (*cont'd*)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2015 RM'000	Preceding Year Quarter 30.06.2014 RM'000	Current Year To date 30.06.2015 RM'000	Preceding Year To date 30.06.2014 RM'000
Net profit for the financial period	19,573	19,481	30,270	30,050
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	6,434	(6,906)	29,447	(8,046)
Gain/ (loss) on revaluation of available-for-sale financial assets	24,376	(20,301)	4,842	(24,060)
Reclassification adjustment for disposal of available-for-sale financial assets	116	-	62	-
Total comprehensive income for the financial period	<u>50,499</u>	<u>(7,726)</u>	<u>64,621</u>	<u>(2,056)</u>
Total other comprehensive income for the financial period attributable to:				
Owners of the Parent	53,192	(7,693)	69,233	(1,556)
Non-controlling interests	(2,693)	(33)	(4,612)	(500)
	<u>50,499</u>	<u>(7,726)</u>	<u>64,621</u>	<u>(2,056)</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 30 June 2015

	Note	30.06.2015 (Unaudited) RM'000	31.12.2014 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	225,266	214,445
Capital work-in-progress		213	208
Land and property development costs		482,554	347,549
Investment properties		32,953	33,198
Investment in associated companies		14,808	13,868
Promissory note		172,376	159,662
Other investments		108,653	136,870
Goodwill on consolidation		85,295	87,142
Deferred tax assets		3,236	2,989
		1,125,354	995,931
Current Assets			
Land and property development costs		373,530	383,730
Inventories		13,160	13,024
Accrued billings in respect of property development costs		153,673	123,689
Trade and other receivables		255,019	248,901
Promissory note		92,705	85,867
Other investments		7,015	27,071
Tax recoverable		5,495	8,985
Fixed deposits with licensed banks		38,180	160,984
Cash held under Housing Development Accounts		93,610	89,132
Cash and bank balances		100,105	82,322
		1,132,492	1,223,705
TOTAL ASSETS		2,257,846	2,219,636
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the Parent			
Share capital		544,963	538,298
Reserves		503,432	445,443
Treasury shares, at cost		(121)	(14,679)
		1,048,274	969,062
Non-controlling interests		(13,274)	(7,207)
Total Equity		1,035,000	961,855

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 30 June 2015 (cont'd)

	30.06.2015 (Unaudited)	31.12.2014 (Audited)
Note	RM'000	RM'000
Non-current Liabilities		
Bank borrowings	B8 298,266	274,566
Trade and other payables	107,280	99,446
Finance lease payables	B8 4,353	3,688
Deferred tax liabilities	43,373	40,986
	<u>453,272</u>	<u>418,686</u>
Current Liabilities		
Progress billings in respect of property development costs	66,905	116,800
Trade and other payables	515,134	516,533
Bank overdrafts	B8 10,766	13,264
Finance lease payables	B8 1,195	1,026
Islamic Securities	B8 -	10,000
Bank borrowings	B8 167,119	173,964
Tax payable	8,455	7,508
	<u>769,574</u>	<u>839,095</u>
Total Liabilities	<u>1,222,846</u>	<u>1,257,781</u>
TOTAL EQUITY AND LIABILITIES	<u>2,257,846</u>	<u>2,219,636</u>
Net Assets per share attributable to owners of the Parent (RM)	<u>1.92</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.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 30 June 2015

	←----- Attributable to owners of the Parent -----→											
	<----- Non-distributable ----->							<-Distributable->				
	Share Capital	Treasury Shares	Share Premium	ESOS Reserve	Foreign Exchange Reserve	Revaluation Reserve	Warrant Reserve	Other Reserve	Retained Earnings	Sub-total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2015	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	-	-	-	-	-	-	-	-	33,309	33,309	(3,039)	30,270
Foreign currency translation	-	-	-	-	31,020	-	-	-	-	31,020	(1,573)	29,447
Gain on revaluation of available-for-sale financial assets	-	-	-	-	-	-	-	4,842	-	4,842	-	4,842
Reclassification adjustment for disposal of available-for-sale financial assets	-	-	-	-	-	-	-	62	-	62	-	62
Total comprehensive income for the financial period	-	-	-	-	31,020	-	-	4,904	33,309	69,233	(4,612)	64,621
Transactions with owners:												
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	-	(15,852)	-	(15,852)	45	(15,807)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,500)	(1,500)
Issuance of ordinary shares:												
- Conversion of warrants	3,681	-	368	-	-	-	(368)	-	-	3,681	-	3,681
- Exercise of ESOS	2,984	-	276	-	-	-	-	-	-	3,260	-	3,260
Share-based payment	-	-	-	1,982	-	-	-	-	-	1,982	-	1,982
Own shares sold	-	16,945	2,350	-	-	-	-	-	-	19,295	-	19,295
Shares repurchased	-	(2,387)	-	-	-	-	-	-	-	(2,387)	-	(2,387)
Total transactions with owners	6,665	14,558	2,994	1,982	-	-	(368)	(15,852)	-	9,979	(1,455)	8,524
Balance as at 30.06.2015	544,963	(121)	47,581	11,927	79,007	-	4,804	(112,474)	472,587	1,048,274	(13,274)	1,035,000

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 30 June 2015 (cont'd)

	←----- Attributable to owners of the Parent -----→											
	<----- Non-distributable ----->									<-Distributable->		Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non-controlling Interests 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	
Amount recognised directly in equity:												
Net profit for the financial period	-	-	-	-	-	-	-	-	30,941	30,941	(891)	30,050
Foreign currency translation	-	-	-	-	(8,437)	-	-	-	-	(8,437)	391	(8,046)
Gain on revaluation of available-for-sale financial assets	-	-	-	-	-	-	-	(24,060)	-	(24,060)	-	(24,060)
Total comprehensive income for the financial period	-	-	-	-	(8,437)	-	-	(24,060)	30,941	(1,556)	(500)	(2,056)
Transactions with owners:												
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,538)	(2,538)
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	-	(7,975)	-	(7,975)	-	(7,975)
Realisation of subsidiary company's reserve	-	-	-	-	-	(121)	-	-	121	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(7,477)	(7,477)	-	(7,477)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,130)	(3,130)
Issuance of ordinary shares:												
- Conversion of warrants	7,035	-	704	-	-	-	(704)	-	-	7,035	-	7,035
- Exercise of ESOS	1,016	-	52	-	-	-	-	-	-	1,068	-	1,068
- Private Placement	20,000	-	14,000	-	-	-	-	-	-	34,000	-	34,000
Share-based payment	-	-	-	2,212	-	-	-	-	-	2,212	-	2,212
Shares repurchased	-	(2,733)	-	-	-	-	-	-	-	(2,733)	-	(2,733)
Total transactions with owners	28,051	(2,733)	14,756	2,212	-	(121)	(704)	(7,975)	(7,356)	26,130	(5,668)	20,462
Balance as at 30.06.2014	507,702	(12,274)	41,397	8,533	8,879	68	8,171	(107,679)	439,434	894,231	(3,185)	891,046

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 30 June 2015

	Current Period Ended 30.06.2015 RM'000	Preceding Period Ended 30.06.2014 RM'000
Profit before taxation	47,211	49,295
Adjustments for :-		
Non-cash items	12,583	12,875
Other operating items	7,282	4,741
Operating profit before changes in working capital	<u>67,076</u>	<u>66,911</u>
Changes in working capital		
Inventories	(132)	1,195
Land and property development costs	(122,563)	(5,806)
Amount owing by/ to contract customers	3,944	231
Accrued / progress billings in respect of property development costs	(79,878)	(101,550)
Receivables	28,681	(17,631)
Payables	(2,462)	(13,076)
Foreign exchange reserve	(241)	174
	<u>(172,651)</u>	<u>(136,463)</u>
Cash used in operations	<u>(105,575)</u>	<u>(69,552)</u>
Dividend received	720	-
Interest received	2,450	2,206
Interest paid	(12,868)	(11,593)
Tax paid	(13,903)	(16,376)
Tax refund	370	1,894
	<u>(23,231)</u>	<u>(23,869)</u>
Net cash used in operating activities	<u>(128,806)</u>	<u>(93,421)</u>
Cash Flows From Investing Activities		
Additional investment in subsidiary and associated companies	(13,023)	-
Repayment of prior year investment in subsidiary and associated companies	(8,886)	(14,703)
Purchase of property, plant and equipment	(3,108)	(1,797)
Purchase of investment properties	(100)	(101)
Investment in mutual fund	(13,000)	-
Proceeds from disposal of property, plant and equipment	336	341
Proceeds from disposal of investment in mutual fund	43,709	-
Proceeds from disposal of quoted shares	33,114	-
Acquisition of subsidiary companies, net of cash acquired	1	-
Capital work-in-progress incurred	-	(2,040)
Net cash generated from / (used in) investing activities	<u>39,043</u>	<u>(18,300)</u>
Cash Flows From Financing Activities		
Decrease / (increase) in fixed deposit pledged	28,559	(4,222)
Decrease in cash and bank balances pledged	1,493	752
Drawdown of borrowings	276,700	101,448
Repayment of borrowings	(276,563)	(138,380)
Dividend paid	(31,803)	(7,477)
Dividend paid to non-controlling interests	(1,500)	(3,130)
Purchase of treasury shares	(2,387)	(2,733)
Proceeds from issuance of shares	-	41,035
Proceeds from conversion of warrants	3,681	-
Proceeds from disposal of treasury shares	19,295	-
Proceeds from exercise of ESOS	3,259	1,067
Repayment of finance lease payables	(571)	(571)
Repayment of Islamic Securities	(10,000)	(10,000)
Net cash generated from / (used in) financing activities	<u>10,163</u>	<u>(22,211)</u>

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
- For the financial period ended 30 June 2015 (cont'd)

	Current Period Ended 30.06.2015 RM'000	Preceding Period Ended 30.06.2014 RM'000
Net decrease in cash and cash equivalents	(79,600)	(133,932)
Effects of exchange rate changes	11,606	(399)
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>199,795</u>	<u>133,108</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	38,180	41,709
Cash held under Housing Development Accounts	93,610	48,379
Cash and bank balances	100,105	72,898
Bank overdrafts	<u>(10,766)</u>	<u>(7,578)</u>
	221,129	155,408
Less : Fixed deposits pledged with licensed banks	(14,111)	(17,240)
Cash and bank balances pledged	<u>(7,223)</u>	<u>(5,060)</u>
	<u>199,795</u>	<u>133,108</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 119	Defined Benefits Plans: Employee Contributions
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
Annual Improvements to FRSs 2010 – 2012 Cycle	
Annual Improvements to FRSs 2011 – 2013 Cycle	
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 which are not yet effective for the Group:-

	Effective date for financial periods <u>beginning on or after</u>
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 116 and FRS 141	Agriculture: Bearer Plants
Amendments to FRS 127	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 15	Revenue from Contracts with Customers	1 January 2017
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 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 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 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 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 2,983,400 ordinary shares of RM1.00 each for cash at subscription price ranges from RM1.00 to RM1.56 per ordinary share.
- (ii) Issuance of shares pursuant to the Conversion of Warrants
A total of 3,680,900 warrants were converted into ordinary shares of RM1.00 each which have resulted in 3,680,900 ordinary shares of RM1.00 each being issued.
- (iii) Share repurchased by the Company
The Company repurchased 1,564,600 of its issued shares from the open market for a total consideration of RM2,386,613 and held as Treasury Shares. The Company also resold 12,320,000 of its treasury shares in the open market for a net consideration of RM19,295,623.

A8. Dividend paid

There was no dividend paid during the quarter under review.

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A9. Segment information

Period ended 30 June 2015

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	297,825	139,779	33,461	10,475	481,540
Less: Inter-segment sales	-	(100,354)	(27,321)	-	(127,675)
Total revenue	297,825	39,425	6,140	10,475	353,865
RESULTS					
Segment results	57,268	4,940	(1,201)	(5,794)	55,213
Interest income	2,014	3	381	52	2,450
Finance costs	(4,332)	(699)	(5,022)	(572)	(10,625)
Share of profit in associated companies	-	-	173	-	173
Profit/(loss) before taxation	54,950	4,244	(5,669)	(6,314)	47,211
Taxation	(15,200)	(1,314)	(1,214)	787	(16,941)
Net profit/(loss) for the financial period	39,750	2,930	(6,883)	(5,527)	30,270
Assets					
Additional investment in associated companies	50	-	717	-	767
Additions to non-current assets	139,508	958	961	107	141,534
Segment assets	1,498,418	96,444	429,182	233,802	2,257,846
Other non-cash expenses					
Depreciation of property, plant and equipment	834	676	146	6,686	8,342
Depreciation of investment properties	123	219	2	-	344
Impairment on goodwill arising on consolidation	1,849	-	-	-	1,849
Loss on disposal of property, plant and equipment	263	-	-	-	263
Property, plant and equipment written off	3	-	-	7	10
Unrealised loss on foreign exchange	-	-	2,268	-	2,268
Share-based payment	-	-	1,982	-	1,982
Other non-cash income					
Gain on disposal of quoted shares	-	-	(847)	-	(847)
Gain on disposal of investment in mutual fund	-	-	(98)	-	(98)
Gain on disposal of property, plant and equipment	(4)	(1)	-	-	(5)
Unrealised gain on foreign exchange	(1)	-	(1,522)	(1)	(1,524)

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A9. Segment information (cont'd)

Period ended 30 June 2014

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	330,105	131,435	45,344	8,483	515,367
Less: Inter-segment sales	-	(131,435)	(35,733)	-	(167,168)
Total revenue	330,105	-	9,611	8,483	348,199
RESULTS					
Segment results	51,840	7,658	319	(5,781)	54,036
Interest income	1,447	86	623	50	2,206
Finance costs	(3,813)	(328)	(2,733)	(46)	(6,920)
Share of loss in associated companies	-	-	(27)	-	(27)
Profit/(loss) before taxation	49,474	7,416	(1,818)	(5,777)	49,295
Taxation	(17,518)	(1,987)	(444)	704	(19,245)
Net profit/(loss) for the financial period	31,956	5,429	(2,262)	(5,073)	30,050
Assets					
Additional investment in associated companies	150,000	300	-	-	150,300
Additions to non-current assets	31,912	1,273	-	165	33,350
Segment assets	1,238,533	69,870	459,829	206,010	1,974,242
Other non-cash expenses					
Depreciation of property, plant and equipment	906	521	-	6,106	7,533
Depreciation of investment properties	120	15	2	-	137
Property, plant and equipment written off	5	1	-	1	7
Loss on disposal of property, plant and equipment	-	18	-	-	18
Unrealised loss on foreign exchange	-	-	683	541	1,224
Impairment on goodwill arising on consolidation	1,956	-	-	-	1,956
Share-based payment	-	-	2,212	-	2,212
Other non-cash income					
Gain on disposal of property, plant and equipment	-	-	218	-	218

LBS BINA GROUP BERHAD (518482-H)

A10. Valuation of property, plant and equipment

There was no fair value adjustment to the property, plant and equipment since the last annual audited financial statements.

A11. Changes in the composition of the Group

- (i) On 1 April 2015, RHB Investment Bank Berhad announced on behalf of the Company that the Extension of Time for the Private Placement 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 of RM1.35 to the eligible employees under the Twenty-Third Grant of the ESOS.
- (iii) On 3 April 2015, Sinaran Restu Sdn Bhd ("SRSB"), a wholly-owned subsidiary company of LBS Bina Holdings Sdn. Bhd. ("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 10,000,000 ordinary shares of RM1.00 each in SRSB by way of capitalisation.
- (iv) On 21 April 2015, MITC Engineering Sdn. Bhd. ("MITCE"), a 75% subsidiary of MITC Sdn. Bhd. ("MITC"), which in turn a wholly-owned subsidiary of the Company has acquired 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 additional Twenty-Nine (29) ordinary shares of RM1.00 each in EOSB for a total cash consideration of Ringgit Malaysia Twenty-Nine (RM29) only. 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 of RM1.40 to the eligible employees under the Twenty-Fourth Grant of the ESOS.
- (vi) On 18 May 2015, LBS has acquired 50,000 ordinary shares of RM1.00 each in Iringan Kejora Sdn Bhd ("IKSB") for a total cash consideration of Ringgit Malaysia Eight Million and Four Hundred Thousand (RM8,400,000) only. Consequently, IKSB became a 70% subsidiary company of LBS.
- (vii) On 1 June 2015, a total of 460,600 shares options under ESOS were granted at the subscription price of RM1.48 to the eligible employees under the Twenty-Fifth Grant of the ESOS.
- (viii) On 8 June 2015, Pelangi Homes Sdn. Bhd. ("PHSB"), a wholly-owned subsidiary of LBS, has acquired 50,000 ordinary shares of RM1.00 each in Biz Bena Development Sdn. Bhd. ("BBDSB") for a total cash consideration of Ringgit Malaysia Fifty Thousand (RM50,000) only. Consequently, BBDSB became a 50% associated company of PHSB.
- (ix) During the financial quarter under review, the Company has acquired 639,400 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 Two Hundred Sixty Five Thousand Six Hundred and Thirty Five (RM265,635) only. Consequently, ML Global became a 24% associated company of the Company.

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

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A12. Material subsequent events

- (i) On 1 July 2015, a total of 411,200 shares options under ESOS were granted at the subscription price of RM1.44 to the eligible employees under the Twenty-Sixth Grant of the ESOS.
- (ii) On 9 July 2015, LBS has acquired 50,000 ordinary shares of RM1.00 each in IKSB for a total cash consideration of Ringgit Malaysia Eight Million and Four Hundred Thousand (RM8,400,000) only. Consequently, IKSB became a 80% subsidiary company of LBS.
- (iii) On 14 July 2015, LBS has acquired 1 ordinary share of RM1.00 each in Restu Bidara Sdn. Bhd. ("RBSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One (RM1.00) only. Subsequently, LBS subscribed for additional 69 ordinary shares of RM1.00 each in RBSB for a total cash consideration of Ringgit Malaysia Sixty Nine (RM69) only. Consequently, RBSB became a 70% subsidiary company of LBS.
- (iv) On 14 July 2015, MITCE has acquired 2 ordinary shares of RM1.00 each in Prisma Craft Sdn. Bhd. ("PCSB") for a total cash consideration of Ringgit Malaysia Two (RM2) only. Consequently, PCSB became a wholly-owned subsidiary company of MITCE.
- (v) On 14 July 2015, MITCE has acquired 2 ordinary shares of RM1.00 each in Top Ace Solutions Sdn. Bhd. ("TASSB") for a total cash consideration of Ringgit Malaysia Two (RM2) only. Consequently, TASSB became a wholly-owned subsidiary company of MITCE.
- (vi) On 1 August 2015, a total of 382,400 shares options under ESOS were granted at the subscription price of RM1.33 to the eligible employees under the Twenty-Seventh Grant of the ESOS.

There were no other material subsequent events as at 21 August 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 30 June 2015 were as follows:

	Amount RM'000
Approved and contracted for property development:	
- Sales and Purchase Agreements	147,726
- Joint Venture Agreements	385,860
- Privatisation Agreement	60,000
	<u>593,586</u>

A14. Changes in contingent assets or contingent liabilities

	30.06.2015 RM'000	30.06.2014 RM'000
Bank guarantees issued for :		
- Property Development	13,920	14,363
- Others	30	30
	<u>13,950</u>	<u>14,393</u>

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

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A15. Significant related party transactions

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

	Amount RM'000
Income	
Sale of development properties	4,046
Rental income	8
Rendering of insurance services	3
Expense	
Contractor fee	14,209
Equity instrument	15,900
Legal fees	292
Rental expenses	55

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 subsidiary companies have financial interest;
- (ii) A firm or companies in which certain directors of the Company or its subsidiary companies have financial interest;
- (iii) Companies in which the Company or its subsidiary companies have 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 RM223 million and RM28 million respectively. These represent 10% increase in revenue and 10% decrease in PBT over the results recorded in the corresponding quarter in the year 2014.

For the six months ended 30 June 2015, the Group recorded revenue and PBT of approximately RM354 million and RM47 million respectively. These represent a 2% increase in revenue and 4% decrease in PBT over the results recorded in the corresponding period in the year 2014.

The improved revenue for the current quarter and period to date were mainly attributable to the projects at Bandar Saujana Putra, D' Island Residence, Cameron Golden Hills, Bandar Putera Indah, Sinaran Mahkota and Midhills.

The decrease in PBT for the current quarter and period to date were mainly due to increase in operating expenses and finance costs.

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 RM223 million and RM28 million respectively as compared to the revenue and PBT of approximately RM131 million and RM19 million respectively in the immediate preceding quarter.

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

B3. Prospects for the current financial year

With the Group's 18 ongoing projects, unbilled sales of approximately RM776 million as at 23 August 2015 and new project launches in year 2015, despite the current challenging market, the Group is still 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 30.06.2015 RM'000	Preceding year Quarter 30.06.2014 RM'000	Current year To date 30.06.2015 RM'000	Preceding year To date 30.06.2014 RM'000
Current year tax provision	9,068	10,618	17,974	18,612
(Over)/under provision in prior years	(3)	1,349	(3)	1,337
Deferred taxation	(447)	(256)	(1,030)	(704)
Total tax expense	<u>8,618</u>	<u>11,711</u>	<u>16,941</u>	<u>19,245</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 August 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 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.

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

- (iii) 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.

- (iv) On 28 May 2015, RHB Investment Bank Berhad ("RHBIB") announced on behalf of the Company that the Company proposed to undertake a bonus issue of up to 152,291,958 Warrants B on the basis of one (1) free Warrant B for every four (4) existing ordinary shares of RM1.00 each in LBS Bina Group Berhad ("LBGB") held on an entitlement date to be determined later ("Proposed Bonus Issue of Warrants").

On 16 July 2015, RHBIB announced on behalf of the Company that the listing application in regards to the Proposed Bonus Issue of Warrants has been submitted to Bursa Malaysia.

On 4 August 2015, RHBIB announced on behalf of the Company that Bursa Malaysia had vide its letter dated 3 August 2015 ("Approval Letter"), resolved to approve the following:-

- (i) Admission of up to 152,291,958 Warrants B to the Official List of Bursa Malaysia and the listing of and quotation for up to 152,291,958 Warrants B to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- (ii) Listing and quotation of up to 152,291,958 new LBGB Shares to be issued arising from the exercise of the Warrants B.

The approval granted by Bursa Malaysia for the Proposed Bonus Issue of Warrants is subject to the following conditions:-

- (i) LBGB and RHBIB must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;
- (ii) LBGB and RHBIB to inform Bursa Malaysia upon the completion of the Proposed Bonus Issue of Warrants;
- (iii) LBGB to furnish Bursa Malaysia with a written confirmation of its compliance with the terms and conditions of Bursa Malaysia' approval once the Proposed Bonus Issue of Warrants is completed;
- (iv) A certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Bonus Issue of Warrants; and
- (v) To incorporate Bursa Malaysia' comments in respect of the draft circular to shareholders on the Proposed Bonus Issue of Warrants as provided in the attachment of the Approval Letter.

On 12 August 2015, the Company has announced and issued circular to seek its shareholders' approval in respect of the Proposed Bonus Issue of Warrants to be tabled at the forthcoming Extraordinary General Meeting to be held on 26 August 2015 at 10.00a.m.

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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 August 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	174,376	73,046	(34,648)	38,398	-	-	Within 1.5 years
Operating expenses	1,2	58,125	24,349	(12,829)	11,520	-	-	Within 1 year
Miscellaneous expenses	1,2	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	128,905	53,998	(53,320)	678	-	-	Within 1 year
Expenses in relation to the disposal	1,2	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	(42,181)	12,795	-	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	(103,684)	9,016	(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 30 June 2015 were as follows: -

	Secured RM'000
<u>Short term borrowings</u>	
Finance lease payables	1,195
Bank overdrafts	10,766
Bank borrowings	167,119
Total short term borrowings	<u>179,080</u>
 <u>Long term borrowings</u>	
Finance lease payables	4,353
Bank borrowings	298,266
Total long term borrowings	<u>302,619</u>
 Total borrowings	<u><u>481,699</u></u>

Currency exposure profile of borrowings were as follow:-

	Secured RM'000
Ringgit Malaysia	355,293
Hong Kong Dollar	108,899
United States Dollar	17,507
	<u>481,699</u>

B9. Changes in material litigation

There was no material litigation as at 21 August 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

At the Annual General Meeting held on 29 May 2015, the shareholders of the Company approved a first and final single tier dividend of 3.25 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014 which was paid on 10 August 2015 to depositors registered in the Record of Depositors on 13 July 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 30.06.2015	Preceding year to date 30.06.2014
Net profit attributable to owners of the Parent (RM'000)	<u>33,309</u>	<u>30,941</u>
Weighted average number of ordinary shares in issue ('000)	<u>533,441</u>	<u>481,212</u>
Basic EPS (sen)	<u>6.24</u>	<u>6.43</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 30.06.2015	Preceding year to date 30.06.2014
Net profit attributable to owners of the Parent (RM'000)	<u>33,309</u>	<u>30,941</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>550,428</u>	<u>515,386</u>
Diluted EPS (sen)	<u>6.05</u>	<u>6.00</u>

LBS BINA GROUP BERHAD (518482-H)**B12. Notes to the Condensed Consolidated Statement of Comprehensive Income**

	Current Year Quarter 30.06.2015 RM'000	Current Period To Date 30.06.2015 RM'000
Depreciation of property, plant and equipment	(4,189)	(8,342)
Depreciation of investment properties	(174)	(344)
Impairment of goodwill arising on consolidation	(1,849)	(1,849)
Loss on disposal of property, plant and equipment	(254)	(258)
Property, plant and equipment written off	(9)	(10)
Share-based payment	(1,669)	(1,982)
Net foreign exchange gain or loss	(711)	(1,089)
Gain on disposal of quoted shares	847	847
Gain on disposal of investment in mutual fund	18	98

B13. Realised and unrealised profits/(losses)

	Unaudited 30.06.2015 RM '000	Audited 31.12.2014 RM '000
Total retained profits/(accumulated losses) of the Company and its subsidiary companies:-		
- Realised	737,595	717,604
- Unrealised	(2,796)	(2,928)
	<u>734,799</u>	<u>714,676</u>
Total share of retained profits/(accumulated losses) from associated companies: -		
- Realised	1,132	964
- Unrealised	-	-
	<u>735,931</u>	<u>715,640</u>
Less : Consolidation adjustments	(263,344)	(276,362)
Total Group retained profits as per consolidated accounts	<u>472,587</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 August 2015