



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

Interim Financial Report

31 March 2016

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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 2016**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2016 RM'000	Preceding Year Quarter 31.03.2015 RM'000	Current Year To date 31.03.2016 RM'000	Preceding Year To date 31.03.2015 RM'000
Revenue		200,472	130,843	200,472	130,843
Cost of sales		(132,665)	(87,448)	(132,665)	(87,448)
Gross profit		67,807	43,395	67,807	43,395
Interest Income		1,814	1,506	1,814	1,506
Other income		3,665	3,934	3,665	3,934
Operating expenses		(41,831)	(24,757)	(41,831)	(24,757)
Finance costs		(6,712)	(5,091)	(6,712)	(5,091)
Share of profit in associated companies		254	33	254	33
Profit before taxation		24,997	19,020	24,997	19,020
Taxation	B5	(8,974)	(8,323)	(8,974)	(8,323)
Net profit for the financial period		16,023	10,697	16,023	10,697
Net profit for the financial period attributable to: -					
Owners of the Parent		16,861	11,568	16,861	11,568
Non-controlling interests		(838)	(871)	(838)	(871)
		16,023	10,697	16,023	10,697
Earnings per share attributable to owners of the Parent:-					
Basic (sen)	B11	3.06	2.18	3.06	2.18
Diluted (sen)	B11	2.88	2.12	2.88	2.12

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2016 (cont'd)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2016 RM'000	Preceding Year Quarter 31.03.2015 RM'000	Current Year To date 31.03.2016 RM'000	Preceding Year To date 31.03.2015 RM'000
Net profit for the financial period	16,023	10,697	16,023	10,697
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	(21,290)	22,160	(21,290)	22,160
Loss on revaluation of available-for-sale financial assets	-	(18,681)	-	(18,681)
Reclassification adjustment for disposal of available-for-sale financial assets	-	(54)	-	(54)
Total comprehensive (loss) / income for the financial period	<u>(5,267)</u>	<u>14,122</u>	<u>(5,267)</u>	<u>14,122</u>
Total other comprehensive (loss) / income for the financial period attributable to: -				
Owners of the Parent	(7,156)	16,041	(7,156)	16,041
Non-controlling interests	1,889	(1,919)	1,889	(1,919)
	<u>(5,267)</u>	<u>14,122</u>	<u>(5,267)</u>	<u>14,122</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 2015 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 2016

	Note	31.03.2016 (Unaudited) RM'000	31.12.2015 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	222,052	240,942
Capital work-in-progress		11,532	6,229
Land and property development costs		518,789	515,026
Investment properties		33,022	33,767
Investment in associated companies		17,645	13,879
Promissory note		91,283	100,499
Other investments		86,379	94,984
Goodwill on consolidation		83,789	84,217
Deferred tax assets		17,464	13,183
		1,081,955	1,102,726
Current Assets			
Land and property development costs		449,311	437,735
Inventories		99,910	76,537
Amount owing by customers on contract		56	56
Accrued billings in respect of land and property development costs		200,350	149,081
Trade and other receivables		352,563	288,997
Promissory note		-	105,524
Other investments		13,000	38,488
Tax recoverable		7,660	8,042
Fixed deposits with licensed banks		38,661	33,471
Cash held under Housing Development Accounts		40,795	87,735
Cash and bank balances		126,605	106,386
		1,328,911	1,332,052
TOTAL ASSETS		2,410,866	2,434,778
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the Parent			
Share capital		551,659	551,437
Reserves		471,039	488,858
Treasury shares, at cost		(64)	(8,634)
		1,022,634	1,031,661
Non-controlling interests		(17,306)	(19,288)
Total Equity		1,005,328	1,012,373

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As at 31 March 2016

		31.03.2016	31.12.2015
		(Unaudited)	(Audited)
	Note	RM'000	RM'000
<u>LIABILITIES</u>			
Non-current Liabilities			
Bank borrowings	B8	323,345	287,939
Trade and other payables		176,969	149,843
Finance lease payables	B8	4,930	5,099
Deferred tax liabilities		41,186	45,454
		<u>546,430</u>	<u>488,335</u>
Current Liabilities			
Amount owing to customers on contract		4,291	5,603
Progress billings in respect of land and property development costs		20,622	45,209
Trade and other payables		546,483	597,244
Bank overdrafts	B8	57,546	43,666
Finance lease payables	B8	1,959	1,701
Bank borrowings	B8	211,384	229,766
Tax payable		16,823	10,881
		<u>859,108</u>	<u>934,070</u>
Total Liabilities		<u>1,405,538</u>	<u>1,422,405</u>
TOTAL EQUITY AND LIABILITIES		<u>2,410,866</u>	<u>2,434,778</u>
Net Assets per share attributable to owners of the Parent (RM)		<u>1.85</u>	<u>1.91</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 2015 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 31 March 2016

	←----- Attributable to owners of the Parent -----→								<----- Non-distributable ----->		<-Distributable->	
	Share Capital	Treasury Shares	Share Premium	ESOS Reserve	Foreign Exchange 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	
Balance as at 1.1.2016	551,437	(8,634)	48,298	12,794	121,327	68,321	(227,048)	465,166	1,031,661	(19,288)	1,012,373	
Amount recognised directly in equity:												
Net profit for the financial period	-	-	-	-	-	-	-	16,861	16,861	(838)	16,023	
Foreign currency translation	-	-	-	-	(26,663)	-	2,646	-	(24,017)	2,727	(21,290)	
Total comprehensive income for the financial period	-	-	-	-	(26,663)	-	2,646	16,861	(7,156)	1,889	(5,267)	
Transactions with owners:												
Changes in ownership interest in subsidiary company	-	-	-	-	-	-	(11,093)	-	(11,093)	93	(11,000)	
Issuance of ordinary shares:												
- Exercise of warrants	121	-	12	-	-	(12)	-	-	121	-	121	
- Exercise of ESOS	101	-	8	-	-	-	-	-	109	-	109	
Share-based payment	-	-	-	157	-	-	-	-	157	-	157	
Own shares sold	-	8,570	265	-	-	-	-	-	8,835	-	8,835	
Total transactions with owners	222	8,570	285	157	-	(12)	(11,093)	-	(1,871)	93	(1,778)	
Balance as at 31.03.2016	551,659	(64)	48,583	12,951	94,664	68,309	(235,495)	482,027	1,022,634	(17,306)	1,005,328	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

- For the financial period ended 31 March 2016 (cont'd)

	← Attributable to owners of the Parent →								<-Distributable->		
	Non-distributable										
	Share Capital	Treasury Shares	Share Premium	ESOS Reserve	Foreign Exchange 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
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	-	-	-	-	23,208	-	-	-	23,208	(1,048)	22,160
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	(18,681)	-	(18,681)	-	(18,681)
Reclassification adjustment for disposal of available-for-sale financial assets	-	-	-	-	-	-	(54)	-	(54)	-	(54)
Total comprehensive income for the financial period	-	-	-	-	23,208	-	(18,735)	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)
Issuance of ordinary shares:											
- Exercise 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	71,195	4,934	(127,738)	450,846	980,195	(9,055)	971,140

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 2015 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
- For the financial period ended 31 March 2016

	Current Period Ended 31.03.2016 RM'000	Preceding Period Ended 31.03.2015 RM'000
Profit before taxation	24,997	19,020
Adjustments for :-		
Non-cash items	1,543	5,268
Other operating items	5,482	3,551
Operating profit before changes in working capital	32,022	27,839
Changes in working capital :		
Inventories	(23,379)	(177)
Land and property development costs	(13,673)	(129,306)
Amount owing by / to customers on contract	(1,312)	3,269
Accrued / progress billings in respect of land and property development costs	(75,856)	1,743
Receivables	(56,639)	74,411
Payables	24,106	17,634
Foreign exchange reserve	14,880	1,201
	(131,873)	(31,225)
Cash used in operations	(99,851)	(3,386)
Interest received	976	1,506
Interest paid	(8,379)	(5,994)
Tax paid	(7,564)	(6,819)
Tax refund	211	303
	(14,756)	(11,004)
Net cash used in operating activities	(114,607)	(14,390)
Cash Flows From Investing Activities		
Additional investment in :		
- Subsidiary and associated companies	(11,786)	(1,614)
- Financial assets at fair value through profit or loss	(13,000)	(500)
Repayment of prior year investment in subsidiary and associated companies	(3,550)	(8,476)
Purchase of :		
- Investment properties	-	(100)
- Property, plant and equipment	(1,556)	(1,736)
Proceeds from disposal of :		
- Financial assets at fair value through profit or loss	36,093	22,096
- Property, plant and equipment	5	8
Proceeds from Promissory note	102,305	-
Deposits and consideration paid for acquisition and joint venture of development lands	(32,876)	(27,700)
Acquisition of subsidiary companies, net of cash acquired	-	1
Capital work-in-progress incurred	(5,549)	-
Net cash generated from / (used in) investing activities	70,086	(18,021)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

- For the financial period ended 31 March 2016 (cont'd)

	Current Period Ended 31.03.2016 RM'000	Preceding Period Ended 31.03.2015 RM'000
Cash Flows From Financing Activities		
Decrease in fixed deposit pledged	3,322	18,557
(Increase) / Decrease in cash and bank balances pledged	(1,002)	1,682
Drawdown of bank borrowings	138,150	38,030
Repayment of bank borrowings	(101,041)	(82,035)
Dividend paid	(32,719)	(33,986)
Shares repurchased	-	(573)
Proceeds from :		
- Exercise of warrants	121	2,380
- Exercise of ESOS	109	449
- Disposal of treasury shares	8,835	-
Repayment of :		
- Finance lease payables	(256)	(285)
- Islamic Securities	-	(10,000)
Net cash generated from / (used in) financing activities	<u>15,519</u>	<u>(65,781)</u>
Net decrease in cash and cash equivalents	(29,002)	(98,192)
Effects of exchange rate changes	(4,090)	8,664
Cash and cash equivalents at the beginning of the financial period	154,360	267,789
Cash and cash equivalents at the end of the financial period	<u>121,268</u>	<u>178,261</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	38,661	56,463
Cash held under Housing Development Accounts	40,795	67,437
Cash and bank balances	126,605	96,643
Bank overdrafts	(57,546)	(11,135)
	<u>148,515</u>	<u>209,408</u>
Less : Fixed deposits pledged with licensed banks	(17,131)	(24,113)
Cash and bank balances pledged	(10,116)	(7,034)
	<u>121,268</u>	<u>178,261</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 2015 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 2015. 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 2015.

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 requirements of the Companies Act, 1965 in Malaysia.

Adoption of new and amended standards

During the financial period, the Group has adopted the following Amendments to FRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial period:-

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 127	Equity Method in Separate Financial Statements
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying to Consolidation Exception
Annual Improvements to FRSs 2012 – 2014 Cycle	

The adoption of above amendments to FRSs did not have any significant impact on the financial statements of the Group.

Standards issued but not yet effective

The Group has 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:-

		<u>Effective date for financial periods beginning on or after</u>
Amendments to FRS 107	Disclosure Initiative	1 January 2017
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

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

A2. Changes in accounting policies (cont'd)

The initial application 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 is currently examining the financial impact of adopting FRS 9.

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

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

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 2018.

The Group falls 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 2018. 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 has 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 ending 31 December 2016 could be different if prepared under the MFRS Framework.

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A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

A4. Seasonal or cyclical factors

The operations of the Group during the quarter under review were not materially affected by any significant seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

A6. Material changes in estimates

There were no significant changes in estimates of amounts reported in prior interim periods or prior year that have a material effect in the current quarter's results.

A7. Debt and equity securities

There were no issuances, repurchases, cancellations, resale and repayments of debts and equity securities during the current financial period, save and except as follows:-

- (i) Issuance of shares pursuant to the Company's Employees' Share Option Scheme ("ESOS")
The Company has issued and allotted 101,000 ordinary shares of RM1.00 each for cash at a subscription price of RM1.081 per ordinary share.
- (ii) Issuance of shares pursuant to the Conversion of Warrants A
A total of 120,500 Warrants A were converted into ordinary shares of RM1.00 each at an exercise price of RM1.00 per Warrant A which have resulted in 120,500 ordinary shares of RM1.00 each being issued.
- (iii) Share repurchased by the Company
The Company resold 6,071,800 of its treasury shares in the open market for a net consideration of RM8,835,543.

A8. Dividend paid

During the financial quarter under review, a tax exempt special dividend of 6 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2015 was paid on 26 January 2016.

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A9. Segment information

Period ended 31 March 2016

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	173,986	82,785	101,756	5,130	363,657
Less: Inter-segment sales	-	(69,992)	(93,193)	-	(163,185)
Total revenue	173,986	12,793	8,563	5,130	200,472
RESULTS					
Segment results	21,840	7,899	2,151	(2,249)	29,641
Interest income	861	1	927	25	1,814
Finance costs	(3,523)	(469)	(2,318)	(402)	(6,712)
Share of profit in associated companies	-	356	(102)	-	254
Profit / (loss) before taxation	19,178	7,787	658	(2,626)	24,997
Taxation	(6,704)	(1,972)	(719)	421	(8,974)
Net profit / (loss) for the financial period	12,474	5,815	(61)	(2,205)	16,023
Assets					
Additional investment in associated company	-	-	3,511	-	3,511
Additions to non-current assets	11,789	1,542	494	644	14,469
Segment assets	1,777,315	111,789	297,658	224,104	2,410,866
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	429	-	-	-	429
Depreciation of:					
- Investment properties	66	111	1	-	178
- Property, plant and equipment	424	504	157	2,710	3,795
Property, plant and equipment written off	3	1	248	13	265
Share-based payment	-	-	157	-	157
Unrealised loss on foreign exchange	1	-	3	26	30
Other non-cash income					
Dividend income from					
financial assets at fair value through profit or loss	-	-	(96)	-	(96)
Fair value gain on					
financial assets at fair value through profit or loss	-	-	(5)	-	(5)
Gain on disposal of:					
- Financial assets at fair value through profit or loss	-	-	(19)	-	(19)
- Property, plant and equipment	(1)	-	-	-	(1)
Interest income from					
financial assets measured at amortised cost	-	-	(838)	-	(838)
Unrealised gain on foreign exchange	-	-	(2,353)	-	(2,353)

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information (cont'd)

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	98,542	24,858	2,497	4,946	130,843
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	-	112	(79)	-	33
Profit / (loss) before taxation	22,077	2,445	(3,804)	(1,698)	19,020
Taxation	(7,266)	(745)	(704)	392	(8,323)
Net profit / (loss) for the financial period	14,811	1,700	(4,508)	(1,306)	10,697
Assets					
Additional investment in associated company	-	-	451	-	451
Additions to non-current assets	99,024	145	(17,923)	-	81,246
Segment assets	1,465,117	84,541	455,479	231,368	2,236,505
Other non-cash expenses					
Depreciation of :					
- Investment properties	62	107	1	-	170
- Property, plant and equipment	428	342	66	3,317	4,153
Loss on disposal of property, plant and equipment	5	-	-	-	5
Property, plant and equipment written off	-	-	-	1	1
Share-based payment	-	-	313	-	313
Unrealised loss on foreign exchange	-	-	724	-	724
Other non-cash income					
Gain on disposal of :					
- Property, plant and equipment	-	(1)	-	-	(1)
- Financial assets at fair value through profit or loss	-	-	(80)	-	(80)
Unrealised gain on foreign exchange	(1)	-	-	(18)	(19)

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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 27 January 2016, LBS Bina Holdings Sdn. Bhd. ("LBS"), a wholly-owned subsidiary company of the Company had entered into a Share Sale Agreement ("SSA") to acquire One Hundred Fifty Thousand (150,000) ordinary shares of RM1.00 each representing 15% of the equity interest in Puncak Gama Sdn. Bhd. ("PGSB") for a total cash consideration of Ringgit Malaysia Eleven Million (RM11,000,000) only. The SSA completed in March 2016. Consequently, LBS's shareholding in PGSB increased from 51% to 66%.
- (ii) On 29 March 2016, LBS Capital Sdn. Bhd. ("LCSB"), a wholly-owned subsidiary company of LBS had increased its paid up share capital from 25,000 to 2,000,000 ordinary shares of RM1.00 each. LBS has subscribed for 1,975,000 ordinary shares of RM1.00 each in LCSB by way of cash.
- (iii) During the financial quarter under review, the Company has acquired 7,010,000 ordinary shares of RM0.50 each in ML Global Berhad ("MGB") for a total cash consideration of Ringgit Malaysia Three Million Five Hundred Eleven Thousand Three Hundred and Seventy One (RM3,511,371) only. Consequently, MGB became a 31.95% 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 11 April 2016, the Company had acquired additional 17,000,000 ordinary shares of RM0.50 each in MGB representing approximately 18.97% equity interest in MGB for a total cash consideration of Ringgit Malaysia Nine Million Five Hundred Thirty Six Thousand Three Hundred and Ninety Seven (RM9,536,397) only. Consequently, the Company owned 50.92% in MGB.
- (ii) On 3 May 2016, LBS had entered into a SSA to acquire One Hundred Forty Thousand (140,000) ordinary shares of RM1.00 each in PGSB for a total cash consideration of Ringgit Malaysia Ten Million Three Hundred Thousand (RM10,300,000) only. Consequently, PGSB will become 80% subsidiary company of LBS upon completion of the SSA.
- (iii) On 13 May 2016, Pelangi Homes Sdn. Bhd. ("PHSB"), a subsidiary company of LBS had acquired One Hundred (100) ordinary shares of RM1.00 each in Restu Bidara Sdn. Bhd. ("RBSB") for a total cash consideration of Ringgit Malaysia One Hundred (RM100) only. Consequently, RBSB became a wholly-owned subsidiary company of PHSB.
- (iv) On 17 May 2016, Prisma Craft Sdn. Bhd. ("PCSB"), an indirect subsidiary company of the Company had increased its paid up share capital from 2 to 750,000 ordinary shares of RM1.00 each. MITC Engineering Sdn. Bhd., the sole shareholder of PCSB, has subscribed for 749,998 ordinary shares of RM1.00 each in PCSB by way of cash.

There were no other material subsequent events as at 24 May 2016, 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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A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 March 2016 were as follows:

	Amount RM'000
Approved and contracted for property development:	
- Sale and Purchase Agreements	143,920
- Joint Venture Agreements	352,535
Property, plant and equipment	1,290
	<u>497,745</u>

A14. Changes in contingent assets or contingent liabilities

	31.03.2016 RM'000	31.03.2015 RM'000
Bank guarantees issued for :		
- Property Development	11,396	23,793
- Construction Contract	45	20
- Others	30	30
	<u>11,471</u>	<u>23,843</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	543
Rental income	9
Rendering of insurance services	3
Expenses	
Contractors' fees	13,739
Equity instrument	11,000
Rental expenses	39
Rendering of services	42

The nature and relationship between the Group and the related parties are 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;
- (v) Directors and key management personnel of the Company or its subsidiary companies and their close family members; and
- (vi) An associated company of the Company.

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 RM200 million and RM25 million respectively. These represent 53% increase in revenue and 31% increase in PBT over the results recorded in the corresponding quarter in the year 2015.

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

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 RM200 million and RM25 million respectively as compared to the revenue and PBT of approximately RM190 million and RM38 million respectively in the immediate preceding quarter.

The decrease in PBT for the current quarter was mainly due to higher marketing and operating expenses.

B3. Prospects for the current financial year

With the Group's 17 ongoing projects, unbilled sales of approximately RM1.11 billion as at 30 April 2016 and new project launches in the year 2016, the Group is confident of achieving further improvement in its financial performance for the financial year ending 31 December 2016.

B4. Profit forecast or profit guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee to the public.

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B5. Taxation

The breakdown of tax expense were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.03.2016 RM'000	Preceding year Quarter 31.03.2015 RM'000	Current year To date 31.03.2016 RM'000	Preceding year To date 31.03.2015 RM'000
Current year tax provision	13,676	8,906	13,676	8,906
Deferred taxation	(4,702)	(583)	(4,702)	(583)
Total tax expense	<u>8,974</u>	<u>8,323</u>	<u>8,974</u>	<u>8,323</u>

The effective tax rate of the Group for the current quarter and financial period were higher than the statutory tax rate of 24% 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 24 May 2016, 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 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 a 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.

- (ii) 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.

- (iii) On 19 September 2015, the Company had signed a Memorandum of Understanding ("MOU") with Zhuhai Jiuzhou Holdings Group Co. Ltd, ("Jiuzhou Holdings") in relation to the proposed Zhuhai International Circuit Limited ("ZIC") Upgrading and Transformation Plan ("Plan").

This MOU is not subject to the approval of shareholders. However the Plan would be subject to the feasibility study and approvals of all relevant authorities in China.

There is no material development from the date of announcement.

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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 Note.

The Board is expected to disclose the detailed plan for the proposed utilisation of the Promissory Note three months before the target receipt of each tranche of the Promissory Note.

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

On 26 September 2014, the Board had announced the utilisation of proceeds for the first tranche of the Promissory Note of HKD250 million. Such sum has been received on 30 December 2014 and fully utilised in February 2016.

On 1 September 2015, the Board had announced the early receipt of HKD200 million from the second tranche of the Promissory Note and its intended plan for the utilisation of proceeds. Such sum has been fully utilised in May 2016.

On 16 March 2016, the Board had announced the early receipt of HKD200 million from the third tranche of the Promissory Note and its intended plan for the utilisation of proceeds.

The status of the utilisation of cash proceeds of HKD500 million, first, second and third tranche of the Promissory Note as at 24 May 2016, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of interim financial report, were as follows:

a) HKD250million (Tranche 1 of Promissory Note)

	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	-	-	1 year
Special dividend	1,2,4	78,049	35,184	(31,427)	3,757	-	-	1 month
Payment for trade and other payables	1,2,3,4	24,390	10,995	(36,837)	(25,842)	(25,842)	-235%	1 year
Operating expenses	1,2,4	25,610	11,545	(2,255)	9,290	-	-	1.5 years
	5	250,000	112,700	(112,700)	-	(25,842)	-235%	

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

b) HKD200million (Tranche 2 of Promissory Note)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
		HKD'000	RM'000	RM'000	RM'000	RM'000	%		
Reduction of bank borrowings	1,2,4	70,000	37,618	(21,867)	15,751	-	-	1 year	N/A
Special dividend	1,2,4	80,000	42,992	(31,931)	11,061	-	-	1 year	N/A
Payment for trade and other payables	1,2,3,4	30,000	16,122	(39,810)	(23,688)	(23,688)	-147%	1 year	6
Operating expenses	1,2,4	20,000	10,748	(13,872)	(3,124)	(3,124)	-29%	1 year	6
	5	200,000	107,480	(107,480)	-	(26,812)	-176%		

c) HKD200million (Tranche 3 of Promissory Note)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
		HKD'000	RM'000	RM'000	RM'000	RM'000	%		
Reduction of bank borrowings	1,2,4	100,000	53,290	(53,290)	-	-	-	1 year	N/A
Special dividend	1,2,4	80,000	42,632	-	42,632	-	-	1 year	N/A
Payment for trade and other payables	1,2,3,4	20,000	10,658	(5,554)	5,104	-	-	1 year	N/A
	5	200,000	106,580	(58,844)	47,736	-	-		

Notes:

1) a) HKD250 million

Adopted the exchange rate of HKD1.00 : RM0.4510, being the closing rate as at 30 December 2014 published by Bank Negara.

b) HKD200 million

Adopted the exchange rate of HKD1.00 : RM0.5374, being the closing rate as at 1 September 2015 published by Bank Negara.

c) HKD200 million

Adopted the exchange rate of HKD1.00 : RM0.5329, being the closing rate as at 16 March 2016 published by Bank Negara.

- 2) The proceeds balance is expected to be utilised within the 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 have been placed in short term deposits until such relevant expenses have been identified.

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

Notes: (cont'd)

5) a) HKD250 million

Fully utilised in February 2016.

b) HKD200 million

Fully utilised in May 2016.

c) HKD200 million

Not yet fully utilised.

- 6) The excess fund arising after the special dividend payment and settlement of bank borrowing which is no longer required subsequently, have been utilised for the Group's project and operating expenses.

B8. Borrowings and debt securities

Total Group borrowings and debt securities as at 31 March 2016 were as follows: -

	Secured RM'000
<u>Short term borrowings</u>	
Finance lease payables	1,959
Bank overdrafts	57,546
Bank borrowings	211,384
Total short term borrowings	<u>270,889</u>
 <u>Long term borrowings</u>	
Finance lease payables	4,930
Bank borrowings	323,345
Total long term borrowings	<u>328,275</u>
 Total borrowings	<u>599,164</u>

Currency exposure profile of borrowings were as follows:-

	Secured RM'000
Ringgit Malaysia	524,758
Hong Kong Dollar	62,271
United States Dollar	12,135
	<u>599,164</u>

B9. Changes in material litigation

There was no material litigation as at 24 May 2016, 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

No dividend has been declared for the quarter under review.

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 31.03.2016	Preceding year to date 31.03.2015
Net profit attributable to owners of the Parent (RM'000)	<u>16,861</u>	<u>11,568</u>
Weighted average number of ordinary shares in issue ('000)	<u>551,280</u>	<u>529,781</u>
Basic EPS (sen)	<u>3.06</u>	<u>2.18</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 31.03.2016	Preceding year to date 31.03.2015
Net profit attributable to owners of the Parent (RM'000)	<u>16,861</u>	<u>11,568</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>586,132</u>	<u>546,624</u>
Diluted EPS (sen)	<u>2.88</u>	<u>2.12</u>

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

	Current Year Quarter 31.03.2016 RM'000	Current Period To Date 31.03.2016 RM'000
Depreciation of :		
- Investment properties	(178)	(178)
- Property, plant and equipment	(3,795)	(3,795)
Allowance for impairment loss on :		
- Goodwill arising on consolidation	(429)	(429)
Property, plant and equipment written off	(265)	(265)
Share-based payment	(157)	(157)
Gain on disposal of :		
- Financial assets at fair value through profit or loss	19	19
- Property, plant and equipment	1	1
Interest income from financial assets measured at amortised cost	838	838
Dividend income from financial assets at fair value through profit or loss	96	96
Fair value gain on financial assets at fair value through profit or loss	5	5
Net foreign exchange gain	1,224	1,224

LBS BINA GROUP BERHAD (518482-H)**B13. Realised and unrealised profits / (losses)**

	Unaudited 31.03.2016 RM'000	Audited 31.12.2015 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiary companies:		
- Realised	722,444	684,493
- Unrealised	<u>17,314</u>	<u>9,362</u>
	<u>739,758</u>	<u>693,855</u>
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	<u>3,579</u>	<u>3,325</u>
	743,337	697,180
Less : Consolidation adjustments	<u>(261,310)</u>	<u>(232,014)</u>
Total Group retained profits as per consolidated accounts	<u><u>482,027</u></u>	<u><u>465,166</u></u>

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

By Order of the Board,

Dato' Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
31 May 2016