



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

Interim Financial Report

30 September 2017

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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 September 2017**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.09.2017 RM'000	Preceding Year Quarter 30.09.2016 RM'000	Current Year To date 30.09.2017 RM'000	Preceding Year To date 30.09.2016 RM'000
Revenue		351,974	245,265	955,414	671,349
Cost of sales		(253,801)	(171,054)	(663,085)	(463,562)
Gross profit		98,173	74,211	292,329	207,787
Interest Income		2,590	1,271	4,382	4,799
Other income		5,187	10,030	14,177	20,242
Operating expenses		(50,604)	(43,753)	(148,840)	(123,631)
Finance costs		(7,122)	(5,756)	(21,203)	(18,085)
Share of loss in associated companies		(55)	(1,482)	(65)	(1,180)
Profit before taxation		48,169	34,521	140,780	89,932
Taxation	B5	(18,088)	(12,320)	(53,475)	(32,014)
Net profit for the financial period		30,081	22,201	87,305	57,918
Net profit for the financial period attributable to :-					
Owners of the Company		25,883	20,458	79,087	57,473
Non-controlling interests		4,198	1,743	8,218	445
		30,081	22,201	87,305	57,918
Earnings per share attributable to Owners of the Company:-					
Basic (sen)	B11	3.90	3.57	11.92	10.04
Diluted (sen)	B11	3.75	3.41	11.46	9.59

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 30 September 2017 (cont'd)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2017 RM'000	Preceding Year Quarter 30.09.2016 RM'000	Current Year To date 30.09.2017 RM'000	Preceding Year To date 30.09.2016 RM'000
Net profit for the financial period	30,081	22,201	87,305	57,918
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	2,158	4,272	(1,625)	(12,865)
Gain / (Loss) on revaluation of available-for-sale financial assets	846	7,407	(2,338)	7,407
Total comprehensive income for the financial period	<u>33,085</u>	<u>33,880</u>	<u>83,342</u>	<u>52,460</u>
Total comprehensive income attributable to: -				
Owners of the Company	28,307	32,948	72,913	51,082
Non-controlling interests	4,778	932	10,429	1,378
	<u>33,085</u>	<u>33,880</u>	<u>83,342</u>	<u>52,460</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 2016 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 September 2017

	Notes	30.09.2017 (Unaudited) RM'000	31.12.2016 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	277,591	261,064
Capital work-in-progress		8,103	5,368
Land and property development costs		858,312	730,526
Investment properties		40,683	61,469
Investment in associated companies		2,401	2,636
Other investments		90,225	99,950
Intangible asset		40,023	40,023
Goodwill on consolidation		74,884	86,957
		1,392,222	1,287,993
Current Assets			
Land and property development costs		471,867	359,131
Inventories		223,761	187,867
Amount owing by customers on contracts		3,542	207
Accrued billings in respect of land and property development costs		433,487	326,709
Trade and other receivables		580,899	425,955
Other investments		2,000	-
Tax recoverable		2,938	6,844
Fixed deposits with licensed banks		57,312	49,079
Cash held under Housing Development Accounts		111,094	74,387
Cash and bank balances		87,456	107,332
		1,974,356	1,537,511
TOTAL ASSETS		3,366,578	2,825,504
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Company			
Share capital		764,540	641,424
Redeemable Convertible Preference Shares ("RCPS")		126,993	-
Reserves		434,471	524,483
Treasury shares, at cost		(88)	(88)
		1,325,916	1,165,819
Non-controlling interests		83,813	41,205
TOTAL EQUITY		1,409,729	1,207,024

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As At 30 September 2017 (cont'd)

	Notes	30.09.2017 (Unaudited) RM'000	31.12.2016 (Audited) RM'000
<u>LIABILITIES</u>			
Non-Current Liabilities			
Trade and other payables		364,642	303,131
Finance lease payables	B8	5,778	4,127
Bank borrowings	B8	337,988	314,144
Deferred tax liabilities		12,776	18,232
		721,184	639,634
Current Liabilities			
Amount owing to customers on contract		11,829	11,841
Progress billings in respect of land and property development costs		11,124	13,299
Trade and other payables		855,820	632,664
Bank overdrafts	B8	75,404	100,902
Finance lease payables	B8	2,214	2,108
Bank borrowings	B8	238,156	195,545
Tax payable		41,118	22,487
		1,235,665	978,846
TOTAL LIABILITIES		1,956,849	1,618,480
TOTAL EQUITY AND LIABILITIES		3,366,578	2,825,504
Net Assets per share attributable to Owners of the Company (RM)		1.95	1.82

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

- For the financial period ended 30 September 2017

	←----- Attributable to owners of the Company ----->											
	<----- Non-distributable ----->					-----> <-Distributable->						
	Share Capital RM'000	Share Capital RCPS RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange 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 1.1.2017	641,424	-	(88)	74,235	8,415	119,866	36,567	(218,062)	503,462	1,165,819	41,205	1,207,024
Amount recognised directly in equity:												
Net profit for the financial period	-	-	-	-	-	-	-	79,087	79,087	79,087	8,218	87,305
Foreign currency translation	-	-	-	-	-	(3,908)	-	72	-	(3,836)	2,211	(1,625)
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	-	(2,338)	-	(2,338)	-	(2,338)
Total comprehensive income for the financial period	-	-	-	-	-	(3,908)	-	(2,266)	79,087	72,913	10,429	83,342
Transactions with owners:												
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	433	433
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	-	(46,445)	-	(46,445)	28,174	(18,271)
Realisation of subsidiary companies' reserve	-	-	-	-	-	-	-	1,604	-	1,604	3,882	5,486
Dividend paid	-	-	-	-	-	-	-	(40,523)	(40,523)	(40,523)	-	(40,523)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(310)	(310)
Issuance of ordinary shares:												
- Exercise of warrants	36,502	-	-	1,281	-	-	(2,228)	-	-	35,555	-	35,555
- Exercise of ESOS	7,989	-	-	46	-	-	-	-	-	8,035	-	8,035
Issuance of RCPS	-	126,993	-	-	-	-	-	-	-	126,993	-	126,993
Realisation of warrants B reserve	-	-	-	-	-	-	(8,448)	8,448	-	-	-	-
Realisation of ESOS reserve	2,988	-	-	75	(3,282)	-	-	-	219	-	-	-
Share-based payment	-	-	-	-	1,965	-	-	-	-	1,965	-	1,965
Total transactions with owners	47,479	126,993	-	1,402	(1,317)	-	(10,676)	(36,393)	(40,304)	87,184	32,179	119,363
Adjustment for effect of Companies Act 2016 *	75,637	-	-	(75,637)	-	-	-	-	-	-	-	-
Balance as at 30.09.2017	764,540	126,993	(88)	-	7,098	115,958	25,891	(256,721)	542,245	1,325,916	83,813	1,409,729

Note:

* The new Companies Act 2016 (the "Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM75,637,367 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amounts standing to the credit of its share premium account of RM75,637,367 for purposes set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

- For the financial period ended 30 September 2016 (cont'd)

	←----- Attributable to owners of the Company ----->										
	<----- Non-distributable ----->					> <-Distributable->					
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange 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 1.1.2016	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	-	-	-	-	-	-	-	57,473	57,473	445	57,918
Foreign currency translation	-	-	-	-	(14,993)	-	1,195	-	(13,798)	933	(12,865)
Gain on revaluation of available-for-sale financial assets	-	-	-	-	-	-	7,407	-	7,407	-	7,407
Total comprehensive income for the financial period	-	-	-	-	(14,993)	-	8,602	57,473	51,082	1,378	52,460
Transactions with owners:											
Net changes in ownership interest in subsidiary companies	-	-	-	-	-	-	-	-	-	16,351	16,351
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(22,548)	-	(22,548)	1,248	(21,300)
Dividend paid	-	-	-	-	-	-	-	(21,451)	(21,451)	-	(21,451)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Issuance of ordinary shares:											
- Exercise of warrants	78,642	-	16,315	-	-	(2,230)	-	-	92,727	-	92,727
- Exercise of ESOS	1,406	-	338	-	-	-	-	-	1,744	-	1,744
Share-based payment	-	-	-	2,128	-	-	-	-	2,128	-	2,128
Own shares sold	-	8,570	266	-	-	-	-	-	8,836	-	8,836
Shares repurchased	-	(16)	-	-	-	-	-	-	(16)	-	(16)
Total transactions with owners	80,048	8,554	16,919	2,128	-	(2,230)	(22,548)	(21,451)	61,420	15,599	77,019
Balance as at 30.09.2016	631,485	(80)	65,217	14,922	106,334	66,091	(240,994)	501,188	1,144,163	(2,311)	1,141,852

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 2016 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 September 2017

	Current Period Ended 30.09.2017 RM'000	Preceding Period Ended 30.09.2016 RM'000
Profit before taxation	140,780	89,932
Adjustments for :-		
Non-cash items	22,075	3,350
Other operating items	12,979	14,019
Operating profit before changes in working capital	<u>175,834</u>	<u>107,301</u>
Changes in working capital :		
Land and property development costs	(193,536)	(221,206)
Inventories	(35,898)	4,256
Amount owing by / to customers on contract	(3,347)	3,902
Accrued / progress billings in respect of land and property development costs	(108,954)	(112,180)
Receivables	(144,490)	(105,893)
Payables	301,526	322,874
Foreign exchange reserve	23,616	6,811
	<u>(161,083)</u>	<u>(101,436)</u>
Cash generated from operations	14,751	5,865
Dividend received	580	1,478
Grant received	3,572	-
Interest received	4,383	3,308
Interest paid	(37,571)	(30,564)
Tax paid	(35,669)	(34,595)
Tax refund	16	1,211
	<u>(64,689)</u>	<u>(59,162)</u>
Net cash used in operating activities	<u>(49,938)</u>	<u>(53,297)</u>
Cash Flows From Investing Activities		
Additional investment in :		
- Subsidiary and associated companies	(4,969)	(43,298)
Repayment of prior year investment in subsidiary and associated companies	(34,136)	(3,885)
Purchase of :		
- Financial assets at fair value through profit or loss	(14,500)	(44,000)
- Investment properties	(301)	(14,392)
- Property, plant and equipment	(9,495)	(6,558)
Proceeds from disposal of :		
- Available-for-sale financial assets	1,003	-
- Financial assets at fair value through profit or loss	12,527	79,885
- Investment properties	100	3,892
- Non-current assets classified as held for sale	-	17,064
- Property, plant and equipment	1,184	879
- Subsidiary companies	6,660	-
Proceeds from Promissory note	-	199,719
Deposits and consideration paid for acquisition and joint venture of future development lands	(61,636)	(93,754)
Acquisition of subsidiary companies, net of cash acquired	(259)	(59,140)
Capital work-in-progress incurred	(4,120)	(9,962)
Net cash (used in) / generated from investing activities	<u>(107,942)</u>	<u>26,450</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

- For the financial period ended 30 September 2017 (cont'd)

	Current Period Ended 30.09.2017 RM'000	Preceding Period Ended 30.09.2016 RM'000
Cash Flows From Financing Activities		
(Increase) / Decrease in fixed deposits pledged	(3,405)	1,928
Increase in cash and bank balances pledged	(3,947)	(8,445)
Drawdown of bank borrowings	283,415	240,741
Repayment of bank borrowings	(216,854)	(299,380)
Dividend paid	(53,550)	(54,171)
Dividend paid to non-controlling interests	(310)	(2,000)
Shares repurchased	-	(16)
Proceeds from :		
- Exercise of ESOS	8,035	1,744
- Exercise of warrants	35,555	92,727
- Issuance of RCPS	126,993	-
- Issuance of Private Placement	30,240	-
- Own shares sold	-	8,836
Repayment of finance lease payables	(2,183)	(1,265)
Net cash generated from / (used in) financing activities	<u>203,989</u>	<u>(19,301)</u>
Net increase / (decrease) in cash and cash equivalents	46,109	(46,148)
Effect of exchange rate changes	(2,900)	(1,659)
Cash and cash equivalents at the beginning of the financial period	79,796	154,360
Cash and cash equivalents at the end of the financial period	<u>123,005</u>	<u>106,553</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	57,312	24,477
Cash held under Housing Development Accounts	111,094	80,733
Cash and bank balances	87,456	111,255
Bank overdrafts	(75,404)	(73,828)
	<u>180,458</u>	<u>142,637</u>
Less : Fixed deposits pledged with licensed banks	(43,627)	(18,525)
Cash and bank balances pledged	(13,826)	(17,559)
	<u>123,005</u>	<u>106,553</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 2016 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 Securities.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. 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 2016.

A2. Changes in accounting policies

Basis of accounting

The financial statements of the Group have been prepared on the historical cost convention 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 2016 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:-

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 12	Annual Improvements to FRSs 2012 – 2014 Cycle

The adoption of above Amendments to FRSs does 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, new Interpretations 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>
Annual Improvements to FRSs 2014 – 2016 Cycle		
• Amendments to FRS 1		1 January 2018
• Amendments to FRS 128		1 January 2018
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 140	Transfers of Investment Property	1 January 2018
Amendments to FRS 4	Applying <i>FRS 9 Financial Instruments</i> with <i>FRS 4 Insurance Contracts</i>	1 January 2018 *
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019

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

Standards issued but not yet effective (*cont'd*)

The Group has not applied the following new FRSs, new Interpretations and Amendments to FRSs that have been issued by the MASB which are not yet effective for the Group: - (*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	Deferred until further notice

Note:

* *Entities that meet the specific criteria in FRS 4, paragraph 20B, may choose to defer the application of FRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

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

The initial application of the abovementioned FRSs are not expected to have any significant impact 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 without subsequent recycling to profit or loss. 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.

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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 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 2017 could be different if prepared under the MFRS Framework.

Companies Act 2016

The Companies Act 2016 (“New Act”) was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders. The New Act was passed on 4 April 2016 by Dewan Rakyat (House of Representative) and gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the date on which the New Act comes into operation, except section 241 and Division 8 of Part III of the New Act, will be on 31 January 2017.

Among the key changes introduced in the New Act which will affect the financial statements of the Group upon the commencement of the New Act on 31 January 2017 includes:

- (a) removal of the authorised share capital;
- (b) shares of the Group will cease to have par or nominal value; and
- (c) the Group’s share premium account will become part of the Group’s share capital.

During the financial period, the Group had transferred a total of RM75,637,367 from its share premium account to the share capital pursuant to the New Act.

The adoption of the New Act does not have any financial impact on the Group for the current financial period as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption mainly will be on disclosures to the annual report and financial statements for the financial year ending 31 December 2017.

A3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

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A4. Seasonal or cyclical factors

The business operations of the Group during the quarter under review have not been 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) Under the Company

- (a) Issuance of shares pursuant to the Company's Employees' Share Option Scheme ("ESOS")
The Company has issued and allotted 6,061,100 ordinary shares for cash at subscription prices range from of RM1.00 to RM1.78 per ordinary share.
- (b) Issuance of shares pursuant to the conversion of Warrants A
A total of 13,087,100 Warrants A were converted into ordinary shares at an exercise price of RM1.00 per Warrant A which have resulted in 13,087,100 ordinary shares being issued.
- (c) Issuance of shares pursuant to the conversion of Warrants B
A total of 17,974,409 Warrants B were converted into ordinary shares at an exercise price of RM1.25 per Warrant B which have resulted in 17,974,409 ordinary shares being issued.
- (d) Issuance of shares pursuant to the conversion of RCPS
A total of 50 RCPS were converted into ordinary shares at the conversion ratio 1 new ordinary share for 2 RCPS which have resulted in 25 ordinary shares being issued.

(II) Under ML Global Berhad ("MGB"), a listed subsidiary company of the Company

- (a) Issuance of shares pursuant to the Private Placement Scheme
MGB has issued and allotted 28,000,000 ordinary shares for cash at the issue price of RM1.08 per Placement Share pursuant to the Private Placement Scheme.
- (b) Issuance of shares pursuant to the conversion of Warrants 2014/2019
A total of 9,191,300 Warrants 2014/2019 were converted into ordinary shares at an exercise price of RM0.50 per Warrant 2014/2019 which have resulted in 9,191,300 ordinary shares being issued.

A8. Dividend paid

During the financial quarter under review, the Company paid the following dividends to the shareholders: -

- (a) A single-tier interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2016 was paid on 24 July 2017.
- (b) A single-tier final dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2016 was paid on 30 August 2017.

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A9. Segment information

Period ended 30 September 2017

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	854,728	506,266	375,231	16,533	1,752,758
Less: Inter-segment sales	-	(422,402)	(374,942)	-	(797,344)
Total revenue	854,728	83,864	289	16,533	955,414
FINANCIAL RESULTS					
Segment results	134,931	32,383	(70)	(9,578)	157,666
Interest income	3,794	84	429	75	4,382
Finance costs	(8,934)	(1,470)	(9,869)	(930)	(21,203)
Share of loss in associated companies	-	-	(65)	-	(65)
Profit / (Loss) before taxation	129,791	30,997	(9,575)	(10,433)	140,780
Taxation	(46,623)	(6,136)	(1,983)	1,267	(53,475)
Net profit / (Loss) for the financial period	83,168	24,861	(11,558)	(9,166)	87,305
Assets					
Additions to non-current assets	153,944	5,218	2,590	2,272	164,024
Segment assets	2,529,035	163,855	448,243	225,445	3,366,578
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	11,596	-	3	-	11,599
- Receivables	-	-	-	28	28
Amortisation of intangible asset	-	-	590	-	590
Bad debts written off	330	-	686	-	1,016
Depreciation of :					
- Investment properties	160	486	13	-	659
- Property, plant and equipment	2,261	2,677	901	6,464	12,303
Net loss on disposal of :					
- Property, plant and equipment	281	-	296	-	577
- Financial assets at fair value through profit or loss	-	-	10	-	10
Property, plant and equipment written off	5	19	7	97	128
Share-based payment	-	-	1,965	-	1,965
Unrealised loss on foreign exchange	-	-	171	-	171
Capital work-in-progress written off	-	-	-	1,001	1,001
Other non-cash income					
Dividend income from					
financial assets at fair value through profit or loss	-	-	(38)	-	(38)
Gain on disposal of :					
- Investment Properties	-	-	(12)	-	(12)
- Property, plant and equipment	-	(126)	-	-	(126)
- Quoted shares	-	-	(35)	-	(35)
- Subsidiary companies	-	-	(778)	-	(778)
Reversal of allowance for impairment loss on receivable	(87)	-	(41)	-	(128)
Reversal on contingency sum provided in prior years	(2,997)	-	-	-	(2,997)
Unrealised gain on foreign exchange	-	-	-	(45)	(45)
Waiver of debts	-	-	(279)	-	(279)

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A9. Segment information (cont'd)

Period ended 30 September 2016

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	571,221	395,256	176,562	16,191	1,159,230
Less: Inter-segment sales	-	(312,033)	(175,848)	-	(487,881)
Total revenue	571,221	83,223	714	16,191	671,349
RESULTS					
Segment results	76,328	35,518	2,242	(9,690)	104,398
Interest income	3,016	-	1,712	71	4,799
Finance costs	(9,779)	(1,458)	(5,852)	(996)	(18,085)
Share of profit / (loss) in associated companies	-	738	(1,918)	-	(1,180)
Profit / (Loss) before taxation	69,565	34,798	(3,816)	(10,615)	89,932
Taxation	(24,243)	(6,874)	(2,127)	1,230	(32,014)
Net profit / (Loss) for the financial period	45,322	27,924	(5,943)	(9,385)	57,918
Assets					
Additions to non-current assets	151,201	20,081	24,654	2,188	198,124
Segment assets	2,131,202	171,769	199,099	225,134	2,727,204
Other non-cash expenses					
Allowance for impairment loss on goodwill arising on consolidation	723	-	-	-	723
Bad debts written off	-	-	-	8	8
Depreciation of :					
- Investment properties	177	394	4	-	575
- Property, plant and equipment	1,471	1,792	519	7,909	11,691
Fair value loss on					
Financial assets at fair value through profit or loss	-	-	34	-	34
Development costs written off	210	-	-	-	210
Property, plant and equipment written off	17	1	249	35	302
Share-based payment	-	-	2,128	-	2,128
Unrealised loss on foreign exchange	1	-	-	-	1
Other non-cash income					
Dividend income from					
financial assets at fair value through profit or loss	-	-	(460)	-	(460)
Fair value gain on					
remeasurement of investment in associated companies	-	-	(2,928)	-	(2,928)
Gain on disposal of :					
- Financial assets at fair value through profit or loss	-	-	(35)	-	(35)
- Investment properties	-	(376)	-	-	(376)
- Non-current assets classified as held for sale	-	(4,978)	-	-	(4,978)
- Property, plant and equipment	-	(356)	-	-	(356)
Interest income from					
financial assets measured at amortised cost	-	-	(1,490)	-	(1,490)
Unrealised gain on foreign exchange	-	-	(2,177)	-	(2,177)

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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 10 July 2017, LBS Bina Holdings Sdn. Bhd. ("LBS") acquired 200,000 ordinary shares representing 20% equity interest in Puncak Gama Sdn. Bhd. ("PGSB") for a total cash consideration of RM18,500,000 only. Consequently, PGSB became a wholly-owned subsidiary company of LBS.
- (ii) On 10 July 2017, LBS acquired 25,000 ordinary shares representing 10% equity interest in Sepadan Maju Sdn. Bhd. ("SMSB") for a total cash consideration of RM25,000 only. Consequently, SMSB became a wholly-owned subsidiary company of LBS.
- (iii) On 12 July 2017, LBS subscribed for 51,000 ordinary shares in Kirana Emas Sdn. Bhd. ("KISB") for a total cash consideration of RM51,000 only. Consequently, KISB became a 51% owned subsidiary company of LBS.
- (iv) On 13 July 2017, LBS subscribed for 51,000 ordinary shares in Retro Court Sdn. Bhd. ("RCSB") for a total cash consideration of RM51,000 only. Consequently, RCSB became a 51% owned subsidiary company of LBS.
- (v) On 8 August 2017, LBS acquired 145,000 ordinary shares representing 29% equity interest in Kemudi Ehsan Sdn. Bhd. ("KESB") for a total cash consideration of RM30,000,000 only. Consequently, KESB became a 80% owned subsidiary company of LBS.
- (vi) On 15 August 2017, LBS subscribed for 100 ordinary shares in Duta Abadi Sdn. Bhd. ("DASB") with its issued and paid-up share capital of RM100 comprising of 100 ordinary shares. Consequently, DASB became a wholly-owned subsidiary company of LBS.
- (vii) On 29 August 2017, the Company subscribed for 1,000 ordinary shares in Saujana Tunggal Sdn. Bhd. ("STSB") for a total cash consideration of RM1,000 only. Consequently, STSB became a wholly-owned subsidiary company of the Company.
- (viii) On 20 September 2017, LBS acquired 1 ordinary share representing 50% equity interest in LBS Borneo Sdn. Bhd. ("LBSBSB") for a total cash consideration of RM1 only. On the same day, LBS subscribed for additional 50 ordinary shares in LBSBSB for a total cash consideration of RM50 only. Consequently, LBS's equity interest in LBSBSB increased to 51% from 50% and became a 51% owned subsidiary company of LBS.

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

A12. Material events subsequent to the end of financial period

There were no other material subsequent events as at 20 November 2017, 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 30 September 2017 were as follows:

	Amount RM'000
Approved and contracted for property development land:	
- Sale and Purchase Agreements	52,445
- Development Rights Agreement	268,266
- Joint Venture Agreements	417,610
Approved and contracted for acquisition of property, plant and equipment:	
- Sale and Purchase Agreements	1,200
	<u>739,521</u>

A14. Changes in contingent assets or contingent liabilities

	30.09.2017 RM'000	30.09.2016 RM'000
Bank guarantees issued for :		
- Property Development	49,982	28,886
- Construction Contracts	9,662	45
- Others	30	30
	<u>59,674</u>	<u>28,961</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	19,333
Rental income	24
Expenses	
Contractors' fees	6,597
Equity instrument	48,525
Legal fees	270
Rental expenses	110
Rendering of services	647
Interest on advances	224

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) Persons connected to certain directors of the Company;
- (vi) Directors and key management personnel of the Company or its subsidiary companies and their close family members;
- (vii) A holding company of the Company; and
- (viii) An associated company of the Company.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group performance

	Individual Period			Cumulative Period		
	Current Year Quarter 30.09.2017 RM'000	Preceding Year Quarter 30.09.2016 RM'000	Changes %	Current Year To date 30.09.2017 RM'000	Preceding Year To date 30.09.2016 RM'000	Changes %
Revenue						
Property Development	309,781	207,532	49%	854,728	571,221	50%
Construction and Trading	170,650	156,291	9%	506,266	395,256	28%
Management, Investment & Others	345,752	83,264	315%	375,231	176,562	113%
Motor Racing Circuit	8,095	5,041	61%	16,533	16,191	2%
	<u>834,278</u>	<u>452,128</u>	85%	<u>1,752,758</u>	<u>1,159,230</u>	51%
Less: Inter-segment sales	<u>(482,304)</u>	<u>(206,863)</u>	-133%	<u>(797,344)</u>	<u>(487,881)</u>	-63%
	<u>351,974</u>	<u>245,265</u>	44%	<u>955,414</u>	<u>671,349</u>	42%
Profit / (Loss) before taxation						
Property Development	46,254	23,858	94%	129,791	69,565	87%
Construction and Trading	9,210	18,308	-50%	30,997	34,798	-11%
Management, Investment & Others	(6,691)	(3,120)	-114%	(9,575)	(3,816)	-151%
Motor Racing Circuit	<u>(604)</u>	<u>(4,525)</u>	87%	<u>(10,433)</u>	<u>(10,615)</u>	2%
	<u>48,169</u>	<u>34,521</u>	40%	<u>140,780</u>	<u>89,932</u>	57%

For the current quarter under review, the Group achieved revenue and profit before taxation ("PBT") of approximately RM352 million and RM48 million respectively. These represent 44% increase in revenue and 40% increase in PBT over the results achieved in the corresponding quarter in the year 2016.

For the nine months ended 30 September 2017, the Group achieved revenue and PBT of approximately RM955 million and RM141 million respectively. These represent 42% increase in revenue and 57% increase in PBT over the results recorded in the corresponding period in the year 2016.

The improved revenue and PBT for the current quarter and financial period were largely from the ongoing projects with impressive take up rate at Bandar Saujana Putra, D' Island Residence, Bandar Putera Indah, Sinaran Mahkota, Midhills, Desiran Bayu and Zenopy Residences.

Property Development

Property development remains the key driver of our business operations and accounted for approximately 90% of our Group's total revenue for the financial period ended 30 September 2017.

For the financial period ended 30 September 2017, Property Development segment posted a higher revenue by 50% from the prior financial period of RM571 million to RM855 million. The PBT increased by 87% to RM130 million from RM70 million in the previous financial period.

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B1. Review of Group performance (*cont'd*)

Property Development (*cont'd*)

The increase in both revenue and PBT were largely driven by the impressive take up rate and steady construction progress from our ongoing projects within the Klang Valley, Pahang and Johor.

As at 26 November 2017, the Group achieved property sales of approximately RM1.33 billion and unbilled sales of RM1.62 billion as at 31 October 2017. Projects within the Klang Valley remain the largest revenue contributor, accounting for more than 66% of the Group's revenue for the current financial period.

Construction and Trading

For the financial period ended 30 September 2017, the Construction and Trading segment posted a higher revenue by 28% and PBT reduced by 11%. The increase in revenue was primarily contributed from in-house jobs and the decrease in PBT was mainly due to the completion of certain construction projects in the current financial period.

Management, Investment and Others

For the financial period ended 30 September 2017, the Management, Investment and Others segment posted a higher revenue by 113% and a higher loss before taxation ("LBT") by 151%.

The increase in revenue was mainly due to the increase in intra-group dividends being declared in the current financial period. The increase in LBT was mainly due to foreign exchange loss arising from the settlement of bank and intra-group loans in foreign currency as a result of weakening of Ringgit Malaysia and the increase in finance costs.

Motor Racing Circuit

For the financial period ended 30 September 2017, the Motor Racing Circuit segment recorded a higher revenue by 2% and LBT reduced by 2%. The increase in revenue was mainly due to higher income from racing and corporate day events. The decrease in LBT was mainly due to lower depreciation charge in the current financial period as certain fixed assets have been fully depreciated in the previous financial period.

B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter

	Current Quarter 30.09.2017 RM'000	Immediate Preceding Quarter 30.06.2017 RM'000	Changes (%)
Revenue	351,974	356,090	-1%
Profit before taxation ("PBT")	48,169	50,587	-5%

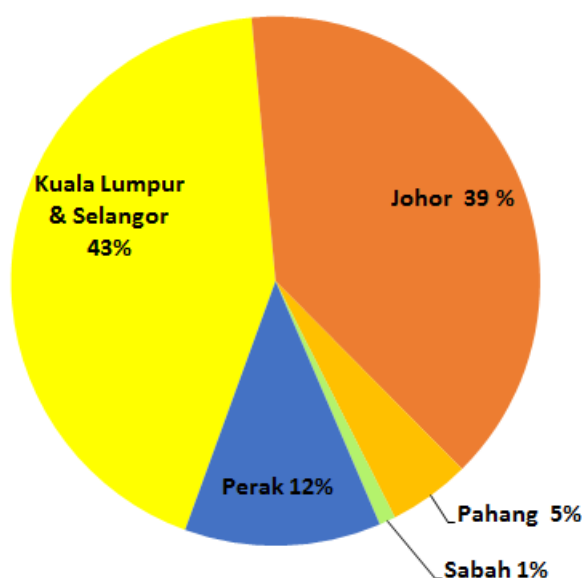
For the current quarter under review, the Group's revenue and PBT were approximately RM352 million and RM48 million respectively as compared to the revenue and PBT of approximately RM356 million and RM51 million respectively in the immediate preceding quarter.

The revenue and PBT were lower mainly due to the completion of certain projects in the immediate preceding quarter.

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B3. Group's prospects for the current financial year

As at reporting date, the Group has a total land bank of 3,856 acres and the breakdown by geographical area is as follows:-



As the property development is the key driver of our business operations, the Group's prospects remain positive with total property sales of RM1.33 billion, total unbilled sales of RM1.62 billion, anchored by 22 ongoing projects and a total land bank of 3,856 acres.

B4. Profit forecast or profit guarantee

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

B5. Taxation

The breakdown of tax expense was as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 30.09.2017 RM'000	Preceding year Quarter 30.09.2016 RM'000	Current year To date 30.09.2017 RM'000	Preceding year To date 30.09.2016 RM'000
Current year tax provision	20,060	10,991	58,314	36,536
(Over) / Under provision in prior years	(213)	2,115	11	2,115
Deferred taxation	(1,759)	(786)	(4,850)	(6,637)
Total tax expense	<u>18,088</u>	<u>12,320</u>	<u>53,475</u>	<u>32,014</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

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 20 November 2017, 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 indirect wholly-owned subsidiary company, Intellview Sdn. Bhd. had entered into a conditional Sale and Purchase Agreement ("SPA") with Laser Plus Sdn. Bhd. for the purchase 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 approximately 6.25 acres at the consideration sum of Ringgit Malaysia Seventy Two Million and Five Hundred Thousand (RM72,500,000) only.

The parties had subsequently entered into an agreement on 10 August 2016 ("Agreement") to amend and vary the provisions in the SPA. Accordingly, the Agreement herein shall supersede any other previous agreement entered by the parties including the abovementioned SPA.

The Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (ii) On 20 April 2014, the Company's indirect subsidiary company, Koleksi Sigma Sdn. Bhd. had entered into a Joint Development Agreement with YPJ Multi Ventures Sdn. Bhd. 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 Conditions Precedent 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.

On 16 November 2017, the Company has received permit for an additional usage of the land (264 acres) as proposed under the Plan from the Development and Reform Bureau of Gaoxin District (高新区发展和改革委员会) ("Approval").

Under the Approval, the 264-acre land is divided into two plots, i.e. East Land and West Land. West Land with an area of 862,395.38 square meters has been approved with a plot ratio of 0.22 giving a total build-up area of 189,726.98 square meters. This West Land has been approved for additional developments encompassing China-Malaysia Cultural Center, racing circuit amenities (inclusive of race car servicing center, exhibition hall, research and development center, petrol kiosk, first aid center, etc.), theme park, commercial area and tourist visiting tower.

East Land with an area of 153,212.74 square meters has been approved with a plot ratio of 1.5 giving a total build-up area of 229,819.11 square meters. East Land has been approved for additional developments encompassing Malaysia Cultural Village, China-Malaysia Cultural Museum, Cheng-Ho Cultural Hall, Malaysia economic and trade building, themed business area, theme hotel block, shopping arcade and daily amenities.

The Company shall obtain relevant approvals from the local authorities, (i.e. Water Resources Department, Environmental Department, Land and Resources Department, etc.) latest by November 2019 for the West Land and November 2020 for the East Land, prior to commencement of work.

B6. Status of corporate proposals (*cont'd*)

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 20 November 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :- (*cont'd*)

- (iv) On 10 September 2016, the Company's indirect subsidiary company, Kemudi Ehsan Sdn. Bhd. ("KESB") together with Worldwide Property Management Sdn. Bhd. had entered into a Development Rights Agreement ("DRA") with Menteri Besar Selangor (Pemerbadanan) ("MBI") to accept the development rights for the development on 10 parcels of leasehold lands, all situated in Mukim Ijok, District of Kuala Selangor, in the State of Selangor ("Development Land"). Under the terms of the DRA, *inter alia*, KESB shall pay to MBI its portion of the Development Rights Value of Ringgit Malaysia Two Hundred Ninety Three Million and Three Hundred Fifteen Thousand (RM293,315,000) only for acquiring the development rights on the Development Land.

The Conditions Precedent as set out in this DRA have been fulfilled. Accordingly, the DRA has become unconditional.

- (v) On 8 March 2017, the Company's indirect subsidiary company, Biz Bena Development Sdn. Bhd. had entered into a Joint Development Agreement with YPJ Plantations Sdn. Bhd. for the proposed development project on a piece of leasehold land with the total land area measuring approximately 541.4 acres held under part of the master title Pajakan Negeri No Hakmilik 57334 Lot 22825 (known as HSD 28627 PTD 10202) in Mukim of Ulu Sungai Johor, District of Kota Tinggi, in the state of Johor.

This Agreement has not been completed as the Conditions Precedent therein have not been complied.

- (vi) On 23 March 2017, the Company's indirect subsidiary company, Delta Gallery Sdn. Bhd. had entered into a Joint Development Agreement ("JDA") with Alaf Cahaya Development Sdn. Bhd. for the proposed development project on a piece of leasehold land with the total land area measuring approximately 4.69 acres held under part of the master title Pajakan Negeri HSD 316362 PT 81444 in Mukim Petaling, District of Petaling, in the state of Selangor.

The Conditions Precedent as set out in this JDA have been fulfilled. Accordingly, the JDA has become unconditional.

- (vii) On 18 April 2017, MGB has announced its proposal to diversify the MGB Group's existing business to include property development and property investment ("New Businesses"). The New Businesses which is complementary to the existing construction business is expected to contribute positively to the revenue and earnings of the Group. The proposed diversification of business is subject to MGB shareholders' approval at the Extraordinary General Meeting to be convened at a date to be announced later.

- (viii) On 5 July 2017, MGB has announced its proposal to change its name from ML Global Berhad to MGB Berhad ("Proposed Change of Name").

The Proposed Change of Name to "MGB Berhad", which stands for "Malaysian Generations Builder", is to better reflect the corporate identity and branding of MGB and to align with the MGB's focus and aspiration to be a regional construction company.

The Proposed Change of Name is subject to the approval of the shareholders of the MGB at a general meeting to be convened at a date to be announced later.

The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of the Notice of Registration of New Name to MGB by the Commission of Companies Malaysia.

B6. Status of corporate proposals (*cont'd*)

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 20 November 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :- (*cont'd*)

- (ix) On 17 July 2017, the MGB announced that it has signed a Memorandum of Understanding (“MOU”) with Sany Construction Industry Development (M) Sdn Bhd (“SANY (M)”) in relation to the setting up of a joint venture entity (“Newco”) for business of manufacturing of Industrialised Building System (IBS) precast products for building projects. MGB and SANY (M) hereinafter collectively be referred to as the (“Parties”).

The Parties have to come to an understanding to form a joint venture entity in Malaysia to collaborate with each other to set up a precast concrete panel manufacturing facility and/or plant to design, produce, market, sell and to install the precast concrete products in housing and commercial development principally in Malaysia and such other relevant arrangement or business activities to be mutually agreed between the Parties from time to time.

The Parties agreed that the initial paid up capital for the Newco shall be RM4,000,000 and the Parties shall contribute to the paid up capital in accordance with their respective proportion of shareholdings as follows: -

- i) MGB – 51%
- ii) SANY (M) – 49%

Unless mutually agreed in writing between the Parties for further extension, the MOU shall be valid for a period of six (6) months from the date of the MOU.

As at the date of announcement, both parties are in the midst of finalizing the Newco’s shareholders agreement.

- (x) On 26 July 2017, the Company’s indirect wholly-owned subsidiary company, Utuh Aspirasi Sdn. Bhd. had entered into a conditional Sale and Purchase Agreement (“SPA”) with Stratmont Development Sdn. Bhd. for the purchase of a piece of leasehold land known as H.S. (D) 316361 PT 82697 in Mukim Petaling Daerah Petaling Negeri Selangor with total land area measuring approximately 7.977 acres at the consideration sum of Ringgit Malaysia Sixty Three Million (RM63,000,000) only.

The Conditions Precedent as set out in this SPA have been fulfilled. Accordingly, the SPA has become unconditional.

- (xi) On 5 September 2017, the Company’s wholly-owned subsidiary company, Saujana Tunggal Sdn. Bhd. had entered into a Share Sale Agreement (“SSA”) for the acquisition of 2,000,000 ordinary shares representing 100% of the equity interest in Gerbang Mekar Sdn. Bhd., from Jadi Wawasan Sdn. Bhd. and Chua Choon Yang for a total consideration of Ringgit Malaysia Twelve million (RM12,000,000) only.

The Agreement has not been completed as the Conditions Precedent therein have not been complied.

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B7. Utilisation of proceeds raised from corporate proposals

(i) Disposal of equity interests

On 12 August 2013 ("completion date"), the Company has announced the completion of disposal of 100% equity interests 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, Zhuhai Holdings shares and deferred cash payment of HKD850 million from Promissory Note.

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

The details of deferred cash payment of HKD850 million from Promissory Note were as follows:-

	Amount HKD'000	Receipt Date	Full Utilisation Date
(a) Tranche 1	250,000	30-Dec-14	Feb-16
(b) Tranche 2	200,000	1-Sep-15	May-16
(c) Tranche 3	200,000	16-Mar-16	Not yet fully utilised
(d) Final tranche	200,000	3-June-16	Not yet fully utilised
	<u>850,000</u>		

The utilisation status of all tranches of Promissory Note as at 20 November 2017, 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) Tranche 1 of Promissory Note (HKD250 million)

	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	1,2,3	121,951	54,976	(42,181)	12,795	-	-	1 year
Special dividend	1,2,3	78,049	35,184	(31,427)	3,757	-	-	1 month
Payment for trade and other payables	1,2,3	24,390	10,995	(36,837)	(25,842)	(25,842)	-235%	1 year
Operating expenses	1,2,3	25,610	11,545	(2,255)	9,290	-	-	1.5 years
		<u>250,000</u>	<u>112,700</u>	<u>(112,700)</u>	<u>-</u>	<u>(25,842)</u>	<u>-235%</u>	

b) Tranche 2 of Promissory Note (HKD200 million)

	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	1,2,3	70,000	37,618	(21,867)	15,751	-	-	1 year	N/A
Special dividend	1,2,3	80,000	42,992	(31,931)	11,061	-	-	1 year	N/A
Payment for trade and other payables	1,2,3	30,000	16,122	(39,810)	(23,688)	(23,688)	-147%	1 year	Note 5
Operating expenses	1,2,3	20,000	10,748	(13,872)	(3,124)	(3,124)	-29%	1 year	Note 5
		<u>200,000</u>	<u>107,480</u>	<u>(107,480)</u>	<u>-</u>	<u>(26,812)</u>	<u>-176%</u>		

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B7. Utilisation of proceeds raised from corporate proposals (cont'd)

(i) Disposal of equity interests (cont'd)

(c) Tranche 3 of Promissory Note (HKD200 million)

	Note	Proposed Utilisation HKD'000	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
						RM'000	%		
Reduction of bank borrowings	1,2	100,000	53,270	(53,270)	-	-	-	1 year	N/A
Special dividend	1,2,4	80,000	42,616	(39,779)	2,837	-	-	1.5 years	N/A
Payment for trade and other payables	1,2	20,000	10,654	(10,654)	-	-	-	1 year	N/A
		200,000	106,540	(103,703)	2,837	-	-		

(d) Final Tranche of Promissory Note (HKD200 million)

	Note	Proposed Utilisation HKD'000	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
						RM'000	%		
Reduction of bank borrowings	1,2	123,750	66,008	(66,008)	-	-	-	1 year	N/A
Special dividend	1,2,4	65,000	34,671	-	34,671	-	-	2 years	N/A
Operating expenses	1,2	11,250	6,001	(6,001)	-	-	-	1 year	N/A
		200,000	106,680	(72,009)	34,671	-	-		

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 : RM0.5327, being the closing rate as at 16 March 2016 published by Bank Negara.
 - (d) HKD200 million
Adopted the exchange rate of HKD1.00 : RM0.5334, being the closing rate as at 3 June 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.
 - 5) The excess fund arising after special dividend payment and settlement of bank borrowings which is no longer required subsequently, have been utilised for the Group's project and/or operating expenses.

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B7. Utilisation of proceeds raised from corporate proposals (*cont'd*)

(ii) Issuance of Redeemable Convertible Preference Shares (“RCPS”)

Proceeds totaling approximately RM127 million were raised under Renounceable Rights Issue of New RCPS which was issued on 8 August 2017.

The status of utilisation of the proceeds as at 20 November 2017, 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 :-

Projects	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
				RM'000	%		
Bukit Jalil (Kuala Lumpur)	38,098	32,252	5,846	-	-	2.3 years	N/A
Alam Perdana (Ijok, Selangor)	25,399	25,399	-	-	-	1.3 years	N/A
Kota Tinggi (Johor)	12,699	12,699	-	-	-	1.3 years	N/A
Cybersouth (Dengkil, Selangor)	12,699	12,699	-	-	-	1.3 years	N/A
Midhills (Gohtong Jaya, Pahang)	12,699	12,699	-	-	-	2.3 years	N/A
Bandar Putera Indah (Batu Pahat, Johor)	12,699	5,893	6,806	-	-	1.3 years	N/A
Other projects	6,350	6,350	-	-	-	1.3 years	N/A
Working Capital	6,350	6,194	156	-	-	3.3 years	N/A
	126,993	114,185	12,808	-	-		

(iii) MGB's Private Placement

On 16 June 2017, the MGB announced its proposal to undertake a private placement of up to 10% of the total number of issued shares of the MGB (“Proposed Private Placement”) to investors to be identified.

On 5 July 2017, Bursa Securities has approved the listing and quotation for up to 47,414,419 new MGB Shares to be issued (“Placement Shares”).

On 20 July 2017, RHB Investment Bank Berhad (“RHBIB”) announced the price fixing for 28,000,000 Placement Shares under the first tranche of the Proposed Private Placement at RM1.08 per Placement Share, represents a discount of approximately 5.52% to the five (5)-day volume weighted average market price of the MGB's shares.

On 1 August 2017, RHBIB announced that the 28,000,000 Placement Shares were listed and quoted on the Bursa Securities. The issue price per Placement Share was fixed at RM1.08 and total gross proceeds raised were approximately RM30.24 million. This also marked the completion of the first tranche of the Proposed Private Placement.

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B7. Utilisation of proceeds raised from corporate proposals (*cont'd*)

(iii) MGB's Private Placement

As at 20 November 2017, being the latest practicable date from the date of issuance of this interim financial report, the status of utilisation of proceeds raised pursuant to the Proposed Private Placement as follows:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
				RM'000	%		
Working Capital	29,816	15,816	14,000	-	-	1 year	N/A
Defray the estimated expenses *	424	424	-	-	-	1 month	N/A
	30,240	16,240	14,000	-	-		

**The estimated expenses comprising professional fees, fees payable to relevant authorities and other related expenses. Any excess/shortfall in funds for estimated expenses will be adjusted to/from funds allocated for working capital.*

B8. Borrowings and debt securities

The Group borrowings and debt securities were as follows:-

Period ended 30.09.2017

	<u>Long term</u>		<u>Short term</u>		<u>Total borrowings</u>	
	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination
<u>Secured</u>						
Bank overdrafts	N/A	-	N/A	75,404	N/A	75,404
Finance lease payables	N/A	5,778	N/A	2,214	N/A	7,992
Bank borrowings	N/A	337,988	N/A	238,156	N/A	576,144
Total borrowings		<u>343,766</u>		<u>315,774</u>		<u>659,540</u>

Period ended 30.09.2016

	<u>Long term</u>		<u>Short term</u>		<u>Total borrowings</u>	
	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination
<u>Secured</u>						
Bank overdrafts	N/A	-	N/A	73,828	N/A	73,828
Finance lease payables	N/A	4,540	N/A	2,105	N/A	6,645
Bank borrowings						
- Ringgit Malaysia	N/A	268,388	N/A	185,327	N/A	453,715
- USD	USD1 : RM4.1355	207	USD1 : RM4.1355	8,436	USD1 : RM4.1355	8,643
Total borrowings		<u>273,135</u>		<u>269,696</u>		<u>542,831</u>

B9. Material litigation

There was no material litigation as at 20 November 2017, 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

On 20 November 2017, the Company has declared a special dividend of 2 sen per ordinary share (Exempt from Income Tax) in respect of the financial year ended 31 December 2017, which the entitlement date and payment date have been fixed on 15 December 2017 and 29 December 2017, respectively.

B11. Earnings per share (“EPS”)

Basic EPS

The calculation of the basic EPS is based on the profit attributable to the Owners of the Company and divided by the weighted average number of ordinary shares in issue:-

	Current period to date 30.09.2017	Preceding period to date 30.09.2016
Net profit attributable to Owners of the Company (RM'000)	<u>79,087</u>	<u>57,473</u>
Weighted average number of ordinary shares in issue ('000)	<u>663,430</u>	<u>572,724</u>
Basic EPS (sen)	<u>11.92</u>	<u>10.04</u>

Diluted EPS

The calculation of the diluted EPS is based on the profit attributable to the Owners of the Company and divided by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining options under the ESOS granted, adjusted for the number of such shares that would have been issued at fair value, as well as the full conversion of warrants and RCPS:-

	Current period to date 30.09.2017	Preceding period to date 30.09.2016
Net profit attributable to Owners of the Company (RM'000)	<u>79,087</u>	<u>57,473</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>690,155</u>	<u>599,144</u>
Diluted EPS (sen)	<u>11.46</u>	<u>9.59</u>

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

	Current Year Quarter 30.09.2017 RM'000	Current Period To Date 30.09.2017 RM'000
Amortisation of intangible asset	(590)	(590)
Bad debts written off / (recovered)	6	(1,016)
Depreciation of :		
- Investment properties	(221)	(659)
- Property, plant and equipment	(4,206)	(12,303)
Allowance for impairment loss on :		
- Goodwill arising on consolidation	(3,230)	(11,599)
- Receivables	(0)	(28)
Property, plant and equipment written off	(6)	(128)
Share-based payment	(494)	(1,965)
Capital work-in-progress written off	(1,001)	(1,001)
Gain on disposal of quoted shares	35	35
Net foreign exchange loss	(2,977)	(5,250)
Net gain / (loss) gain on disposal of :		
- Financial assets at fair value through profit or loss	-	(10)
- Investment properties	12	12
- Property, plant and equipment	(206)	(451)
- Subsidiary companies	-	778
Dividend income from :		
- Financial assets at fair value through profit or loss	-	38
Grant income	3,572	3,572
Reversal of allowance for impairment loss on receivables	-	128
Reversal on contingency sum provided in prior years	-	2,997
Waiver of debts	-	279

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

	Unaudited 30.09.2017 RM'000	Audited 31.12.2016 RM'000
Total retained profits of the Company and its subsidiary companies:		
- Realised	993,114	900,532
- Unrealised	<u>27,268</u>	<u>28,936</u>
	<u>1,020,382</u>	<u>929,468</u>
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	<u>(636)</u>	<u>(562)</u>
	1,019,746	928,906
Less : Consolidation adjustments	<u>(477,501)</u>	<u>(425,444)</u>
Total Group retained profits as per consolidated accounts	<u>542,245</u>	<u>503,462</u>

The disclosure of realised and unrealised profits / (losses) above is solely for compliance with the directive issue by the Bursa Securities 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
27 November 2017