



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

Interim Financial Report

31 March 2018

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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 2018**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2018 RM'000	Preceding Year Quarter 31.03.2017 RM'000	Current Year To date 31.03.2018 RM'000	Preceding Year To date 31.03.2017 RM'000
Revenue		240,117	247,350	240,117	247,350
Cost of sales		(156,470)	(160,851)	(156,470)	(160,851)
Gross profit		83,647	86,499	83,647	86,499
Interest Income		658	1,593	658	1,593
Other income		5,189	2,874	5,189	2,874
Operating expenses		(37,877)	(42,132)	(37,877)	(42,132)
Finance costs		(8,295)	(6,817)	(8,295)	(6,817)
Share of (loss) / profit in associated companies		(7)	7	(7)	7
Profit before tax		43,315	42,024	43,315	42,024
Taxation	B5	(17,255)	(16,372)	(17,255)	(16,372)
Net profit for the financial period		26,060	25,652	26,060	25,652
Net profit for the financial period attributable to:					
Owners of the Parent		23,044	24,773	23,044	24,773
Non-controlling interests		3,016	879	3,016	879
		26,060	25,652	26,060	25,652
Earnings per share attributable to Owners of the Parent:					
Basic (sen)	B11	2.26	1.69	2.26	1.69
Diluted (sen)	B11	2.14	1.64	2.14	1.64

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2018 (cont'd)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2018 RM'000	Preceding Year Quarter 31.03.2017 RM'000	Current Year To date 31.03.2018 RM'000	Preceding Year To date 31.03.2017 RM'000
Net profit for the financial period	26,060	25,652	26,060	25,652
Other comprehensive income, net of tax:				
Exchange translation differences				
for foreign operations	(4,179)	(2,093)	(4,179)	(2,093)
Change of stakes in a subsidiary company	899	-	899	-
Loss on revaluation of available-for-sale financial assets	(8,361)	(4,847)	(8,361)	(4,847)
Total comprehensive income for the financial period	<u>14,419</u>	<u>18,712</u>	<u>14,419</u>	<u>18,712</u>
Total comprehensive income attributable to:				
Owners of the Parent	8,314	17,301	8,314	17,301
Non-controlling interests	6,105	1,411	6,105	1,411
	<u>14,419</u>	<u>18,712</u>	<u>14,419</u>	<u>18,712</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 2017 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 2018

	Notes	31.03.2018 (Unaudited) RM'000	31.12.2017 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	281,356	256,611
Capital work-in-progress		19,414	17,003
Inventories - land and property development costs		1,355,951	1,334,055
Investment properties		169,035	60,881
Investment in associated companies		2,382	2,374
Other investments		70,712	83,004
Goodwill on consolidation		116,306	114,612
		2,015,156	1,868,540
Current Assets			
Inventories - land and property development costs		528,172	468,965
Inventories - completed properties and others		249,435	263,646
Contract assets		357,606	353,465
Trade and other receivables		621,092	710,712
Other investments		3,039	2,021
Tax recoverable		4,011	2,943
Fixed deposits with licensed banks		29,547	29,700
Cash held under Housing Development Accounts		114,305	147,645
Cash and bank balances		85,192	103,841
		1,992,399	2,082,938
TOTAL ASSETS		4,007,555	3,951,478
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Parent			
Share capital		805,174	775,285
Redeemable Convertible Preference Shares ("RCPS")		112,629	125,908
Reserves		385,661	383,215
Treasury shares, at cost		(88)	(88)
		1,303,376	1,284,320
Non-controlling interests		95,903	89,582
TOTAL EQUITY		1,399,279	1,373,902

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As At 31 March 2018 (cont'd)

	Notes	31.03.2018 (Unaudited) RM'000	31.12.2017 (Audited) RM'000
LIABILITIES			
Non-Current Liabilities			
Trade and other payables		512,855	523,734
Finance lease payables	B8	9,606	8,743
Bank borrowings	B8	626,186	511,291
Sukuk Murabahah Programme ("SUKUK")	B8	28,449	-
Deferred tax liabilities		7,506	7,587
		<u>1,184,602</u>	<u>1,051,355</u>
Current Liabilities			
Contract liabilities		33,533	34,588
Trade and other payables		938,238	1,111,795
Bank overdrafts	B8	84,621	70,739
Finance lease payables	B8	4,040	3,834
Bank borrowings	B8	316,321	268,793
SUKUK	B8	4,989	-
Tax payable		41,932	36,472
		<u>1,423,674</u>	<u>1,526,221</u>
TOTAL LIABILITIES		<u>2,608,276</u>	<u>2,577,576</u>
TOTAL EQUITY AND LIABILITIES		<u>4,007,555</u>	<u>3,951,478</u>
Net Assets per share attributable to Owners of the Parent (RM)		<u>0.84</u>	<u>0.85</u> #

The net assets per share attributable to Owners of the Parent has been restated to reflect the retrospective adjustment arising from the share subdivision and bonus issue which have been completed on 27 February 2018.

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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 2018

	Attributable to owners of the Parent										
	Non-distributable							<-Distributable->			
	Share Capital RM'000	Share Capital RCPS RM'000	Treasury Shares 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 1.1.2018											
- as previously stated	775,285	125,908	(88)	6,982	109,732	24,976	(283,128)	524,653	1,284,320	89,582	1,373,902
- effects of adoption of the MFRS Framework	-	-	-	-	-	-	-	(4,166)	(4,166)	26	(4,140)
Balance as at 1.1.2018 (restated)	775,285	125,908	(88)	6,982	109,732	24,976	(283,128)	520,487	1,280,154	89,608	1,369,762
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	-	23,044	23,044	3,016	26,060
Change of stakes in a subsidiary company	-	-	-	-	-	-	(621)	-	(621)	1,520	899
Foreign currency translation	-	-	-	-	(6,152)	-	404	-	(5,748)	1,569	(4,179)
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	(8,361)	-	(8,361)	-	(8,361)
Total comprehensive income for the financial period	-	-	-	-	(6,152)	-	(8,578)	23,044	8,314	6,105	14,419
Transactions with owners:											
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	190	190
Issuance of ordinary shares:											
- Exercise of warrants	11,040	-	-	-	-	(149)	-	-	10,891	-	10,891
- Exercise of ESOS	5,570	-	-	(1,553)	-	-	-	-	4,017	-	4,017
- Exercise of RCPS	13,279	(13,279)	-	-	-	-	-	-	-	-	-
Realisation of warrants B reserve	-	-	-	-	-	(3,415)	3,415	-	-	-	-
Realisation of ESOS reserve	-	-	-	(1)	-	-	-	1	-	-	-
Total transactions with owners	29,889	(13,279)	-	(1,554)	-	(3,564)	3,415	1	14,908	190	15,098
Balance as at 31.03.2018	805,174	112,629	(88)	5,428	103,580	21,412	(288,291)	543,532	1,303,376	95,903	1,399,279

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

- For the financial period ended 31 March 2017 (cont'd)

	Attributable to owners of the Parent										
	Non-distributable							<-Distributable->			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	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											
- as previously stated	641,424	(88)	74,235	8,415	119,866	36,567	(218,062)	503,462	1,165,819	41,205	1,207,024
- effects of adoption of the MFRS Framework	-	-	-	-	-	-	-	1,534	1,534	-	1,534
Balance as at 1.1.2017 (restated)	641,424	(88)	74,235	8,415	119,866	36,567	(218,062)	504,996	1,167,353	41,205	1,208,558
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	-	24,773	24,773	879	25,652
Foreign currency translation	-	-	-	-	(2,651)	-	26	-	(2,625)	532	(2,093)
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	(4,847)	-	(4,847)	-	(4,847)
Total comprehensive income for the financial period	-	-	-	-	(2,651)	-	(4,821)	24,773	17,301	1,411	18,712

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
- For the financial period ended 31 March 2017 (cont'd)

	Attributable to owners of the Parent										
	Non-distributable							<-Distributable->			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	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
Transactions with owners:											
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	146	146
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	2,452	-	2,452	(2,463)	(11)
Realisation of subsidiary company's reserve	-	-	-	-	-	-	672	-	672	4,814	5,486
Issuance of ordinary shares:											
- Exercise of warrants	14,550	-	1,282	-	-	(1,570)	-	-	14,262	-	14,262
- Exercise of ESOS	4,856	-	121	(1,455)	-	-	-	-	3,522	-	3,522
Realisation of warrant reserve B	-	-	-	-	-	(2,910)	2,910	-	-	-	-
Share-based payment	-	-	-	1,221	-	-	-	-	1,221	-	1,221
Total transactions with owners	19,406	-	1,403	(234)	-	(4,480)	6,034	-	22,129	2,497	24,626
Adjustment for effect of Companies Act 2016 *	75,638	-	(75,638)	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	736,468	(88)	-	8,181	117,215	32,087	(216,849)	529,769	1,206,783	45,113	1,251,896

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.

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 2017 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
- For the financial period ended 31 March 2018

	Current Period Ended 31.03.2018 RM'000	Preceding Period Ended 31.03.2017 RM'000
Profit before tax	43,315	42,024
Adjustments for :-		
Non-cash items	(6,405)	1,268
Other operating items	7,626	5,189
Operating profit before changes in working capital	<u>44,536</u>	<u>48,481</u>
Changes in working capital :		
Inventories - land and property development costs	(74,285)	(25,076)
Inventories - completed properties and others	14,209	3,325
Contract assets	(4,140)	7,546
Contract liabilities	(1,056)	(1,322)
Receivables	46,409	(21,727)
Payables	(66,468)	6,718
Foreign exchange reserve	4,115	5,372
	<u>(81,216)</u>	<u>(25,164)</u>
Cash (used in) / generated from operations	<u>(36,680)</u>	<u>23,317</u>
Interest received	658	1,593
Interest paid	(16,789)	(10,902)
Tax paid	(13,197)	(11,253)
Tax refund	23	-
	<u>(29,305)</u>	<u>(20,562)</u>
Net cash (used in) / generated from operating activities	<u>(65,985)</u>	<u>2,755</u>
Cash Flows From Investing Activities		
Additional investment in :		
- Subsidiary companies	(918)	(4,615)
- Financial assets at fair value through profit or loss	(1,000)	(12,500)
Repayment of prior year investment in subsidiary and associated companies	(11,035)	(9,086)
Purchase of :		
- Investment properties	(1,482)	-
- Property, plant and equipment	(8,054)	(2,043)
Proceeds from disposal of :		
- Financial assets at fair value through profit or loss	-	10,012
- Property, plant and equipment	773	215
- Subsidiary companies	-	6,660
Deposits and consideration paid for acquisition and joint venture of future development lands	(105,050)	(29,689)
Acquisition of subsidiary companies, net of cash acquired	(6,324)	(163)
Capital work-in-progress incurred	(5,315)	(520)
	<u>(138,405)</u>	<u>(41,729)</u>
Net cash used in investing activities	<u>(138,405)</u>	<u>(41,729)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
- For the financial period ended 31 March 2018 (cont'd)

	Current Period Ended 31.03.2018 RM'000	Preceding Period Ended 31.03.2017 RM'000
Cash Flows From Financing Activities		
(Increase) / Decrease in fixed deposits pledged	(2,212)	14,451
Decrease / (Increase) in cash and bank balances pledged	2,062	(3,072)
Drawdown of bank borrowings	219,684	114,164
Repayment of bank borrowings	(66,822)	(40,394)
Dividend paid	(28,180)	(13,028)
Proceeds from :		
- Exercise of ESOS	4,017	3,522
- Exercise of warrants	10,891	14,262
- Exercise of warrants in a subsidiary company by non-controlling interests	1,802	-
Repayment of finance lease payables	(1,026)	(525)
Net cash generated from financing activities	<u>140,216</u>	<u>89,380</u>
Net (decrease) / increase in cash and cash equivalents	(64,174)	50,406
Effect of exchange rate changes	(2,000)	(710)
Cash and cash equivalents at the beginning of the financial period	<u>178,558</u>	<u>79,796</u>
Cash and cash equivalents at the end of the financial period	<u>112,384</u>	<u>129,492</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	29,547	38,563
Cash held under Housing Development Accounts	114,305	111,205
Cash and bank balances	85,192	101,723
Bank overdrafts	(84,621)	(83,277)
	<u>144,423</u>	<u>168,214</u>
Less : Fixed deposits pledged with licensed banks	(27,045)	(25,771)
Cash and bank balances pledged	(4,994)	(12,951)
	<u>112,384</u>	<u>129,492</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 2017 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 MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Securities before taking into consideration the effects of Addendum to FRSIC Consensus 17 - Clarification on the use of FRSIC Consensus 17 Development of Affordable Housing issued on 7 March 2018 ("Addendum"). This Addendum has rendered the FRSIC Consensus 17 no longer applicable upon the adoption of MFRS 15 – Revenue from Contracts with Customers ("MFRS 15") in conjunction with the adoption of the MFRS Framework as explained below, hence the upfront recognition of provision for foreseeable losses on the development of affordable housing on an involuntary basis may no longer be required. As it is understood that post-issuance of this Addendum, there would be further official clarification on the accounting for the development of affordable housing in the near future, the Group expects and intends to fully comply with the requirements of this Addendum when the clarification has been made.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. 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 2017.

A2. Changes in accounting policiesBasis 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

In the previous years, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRS"). These are the Group's first financial statements prepared in accordance with MFRS's and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The adoption of above Amendments to MFRSs does not have any significant impact on the financial statements of the Group, except for MFRS 15 and MFRS 9 where the Group has used the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the retained earnings as of 1 January 2018 and that comparatives will not be restated.

Standards issued but not yet effective

The Group has not applied the following new MFRSs, Interpretations and Amendments to MFRSs 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>
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	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 MFRSs, Interpretations and Amendments to MFRSs 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>
<i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>		
Amendments to MFRS 3	Business Combination	1 January 2019
Amendments to MFRS 11	Joint Arrangements	1 January 2019
Amendments to MFRS 112	Income Taxes	1 January 2019
Amendments to MFRS 123	Borrowing Costs	1 January 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>		
Amendments to MFRS 2	Share-Based Payment	1 January 2020
Amendments to MFRS 3	Business Combination	1 January 2020
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14	Regulatory Deferred Accounts	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138	Intangible Assets	1 January 2020
Amendments to IC Interpretation 12	Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advances Consideration	1 January 2020
Amendments to IC Interpretation 123	Intangible Assets – Website Costs	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 20 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	Deferred until further notice

The Group intends to adopt the above MFRSs, Amendments to MFRSs and Amendments to IC Interpretations when they become effective.

The initial application of the abovementioned MFRSs, Amendments to MFRSs and Amendments to IC Interpretations are not expected to have any significant impact on the financial statements of the Group.

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

Malaysian Financial Reporting Standards (MFRS Framework)

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 (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017. Subsequently on 28 October 2015, Transitioning Entities are allowed to defer adoption of MFRS Framework for an additional one year. Consequently, adoption of 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 its first MFRS financial statements for the financial year ending 31 December 2018. In presenting its first MFRS financial statements, the Group has used the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the retained earnings as of 1 January 2018 and that comparatives will not be restated.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

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.

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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 2,732,800 new ordinary shares for cash at exercise prices ranging from RM1.00 to RM1.84 per ordinary share pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS").
- (b) Issuance of 1,811,000 new ordinary shares pursuant to the conversion of 1,811,000 Warrants A at the following exercise prices:

	<u>Batch 1</u>	<u>Batch 2</u>	<u>Total</u>
Exercise price (RM)	1.00	0.46	
No. of shares issued	1,806,600	4,400	1,811,000

- (c) Issuance of 7,265,716 new ordinary shares at the exercise price of RM1.25 per Warrant B pursuant to the conversion of 7,265,716 Warrants B.
- (d) Issuance of 6,036,165 new ordinary shares with the conversion ratio of one (1) new ordinary share for two (2) RCPS pursuant to the conversion of 12,072,332 RCPS.
- (e) Issuance of 845,795,018 new ordinary shares upon the completion of share subdivision and bonus issue exercise on 27 February 2018.

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

- (a) Issuance of 3,603,900 new ordinary shares pursuant to the conversion of 3,603,900 Warrants 2014/2019 at the exercise price of RM0.50 per warrant.

A8. Dividend paid

During the financial quarter under review, a tax-exempt special dividend of 4 sen per ordinary share in respect of the financial year ended 31 December 2017 was paid on 20 March 2018.

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A9. Segment information

Period ended 31 March 2018

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Total revenue	193,484	158,632	7,329	5,750	365,195
Less: Inter-segment revenue	-	(118,619)	(6,459)	-	(125,078)
Revenue from external customers	193,484	40,013	870	5,750	240,117
FINANCIAL RESULTS					
Segment results	23,559	13,464	15,664	(1,728)	50,959
Interest income	325	24	285	24	658
Finance costs	(571)	(639)	(6,789)	(296)	(8,295)
Share of loss in associated companies	-	-	(7)	-	(7)
Profit / (loss) before tax	23,313	12,849	9,153	(2,000)	43,315
Taxation	(10,021)	(3,779)	(3,863)	408	(17,255)
Net profit / (loss) for the financial period	13,292	9,070	5,290	(1,592)	26,060
Assets					
Additions to non-current assets	51,028	3,194	114,266	591	169,079
Segment assets	3,000,993	204,282	586,718	215,562	4,007,555
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	948	-	-	-	948
- Receivables	310	-	-	-	310
Depreciation of :					
- Investment properties	11	165	153	-	329
- Property, plant and equipment	1,121	1,382	1,213	1,803	5,519
Property, plant and equipment written off	-	-	7	-	7
Unrealised loss on foreign exchange	-	-	34	51	85
Other non-cash income					
Contingency sum provided in prior years no longer required	(8,775)	-	-	-	(8,775)
Dividend income from financial assets at fair value through profit or loss	-	-	(17)	-	(17)
Gain on disposal of :					
- Property, plant and equipment	(45)	(2)	(104)	-	(151)
Gain on a bargain purchase arising from acquisition of a subsidiary company	-	-	(2,342)	-	(2,342)
Reversal of allowance for impairment loss on receivables	(2,260)	(75)	-	-	(2,335)

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A9. Segment information (cont'd)

Period ended 31 March 2017

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Total revenue	220,605	163,504	3,427	3,194	390,730
Less: Inter-segment revenue	-	(140,034)	(3,346)	-	(143,380)
Revenue from external customers	220,605	23,470	81	3,194	247,350
RESULTS					
Segment results	32,713	13,148	6,057	(4,677)	47,241
Interest income	1,418	1	150	24	1,593
Finance costs	(2,754)	(510)	(3,243)	(310)	(6,817)
Share of profit in associated companies	-	-	7	-	7
Profit / (loss) before tax	31,377	12,639	2,971	(4,963)	42,024
Taxation	(12,837)	(3,311)	(651)	427	(16,372)
Net profit / (loss) for the financial period	18,540	9,328	2,320	(4,536)	25,652
Assets					
Additions to non-current assets	16,608	852	2,377	424	20,261
Segment assets	2,052,805	195,694	425,235	228,309	2,902,043
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	447	-	3	-	450
Bad debts written off	330	-	-	-	330
Depreciation of:					
- Investment properties	47	165	1	-	213
- Property, plant and equipment	734	825	297	2,192	4,048
Net loss on disposal of:					
- Property, plant and equipment	-	-	11	-	11
- Financial assets at fair value through profit or loss	-	-	11	-	11
Property, plant and equipment written off	-	15	6	13	34
Share-based payment	-	-	1,221	-	1,221
Unrealised loss on foreign exchange	-	-	-	24	24
Other non-cash income					
Dividend income from financial assets at fair value through profit or loss	-	-	(27)	-	(27)
Gain on disposal of:					
- Property, plant and equipment	-	(121)	-	-	(121)
- Subsidiary companies	-	-	(778)	-	(778)
Reversal of allowance for impairment loss on receivable	(87)	-	-	-	(87)
Contingency sum provided in prior years no longer required	(2,997)	-	-	-	(2,997)
Unrealised gain on foreign exchange	-	-	(631)	-	(631)
Waiver of debts	-	-	(279)	-	(279)

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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 5 September 2017, Saujana Tunggal Sdn. Bhd. (“STSB”), a wholly-owned subsidiary company of the Company, entered into a Share Sale Agreement (“SSA”) to acquire 2,000,000 ordinary shares, representing 100% equity interest in Gerbang Mekar Sdn. Bhd. (“GMSB”) for a total cash consideration of RM12,000,000 only. The SSA had been completed on 8 March 2018. Consequently, GMSB became a wholly-owned subsidiary company of STSB.
- (ii) On 30 January 2018, LBS Bina Holdings Sdn. Bhd. (“LBS”), a wholly-owned subsidiary company of the Company, acquired 510 ordinary shares, representing 51% equity interest in Legasi Holdings Group Sdn. Bhd. (“LHGSB”) for a total cash consideration of RM510 only. Consequently, LHGSB became a 51% owned subsidiary company of LBS.
- (iii) On 19 February 2018, MGB Land Sdn. Bhd. (“MGB Land”), a wholly-owned subsidiary company of MGB, acquired 300,000 ordinary shares, representing 51% equity interest in Multi Court Developers Sdn. Bhd. (“MCDSB”) for a total cash consideration of RM2,800,000 only. Consequently, MCDSB became a 51% owned subsidiary company of MGB Land.
- (iv) On 16 March 2018, LBS acquired 255,000 ordinary shares, representing 51% equity interest in Panglima Riang Sdn. Bhd. (“PRSB”) for a total cash consideration of RM255,000 only. Consequently, PRSB became a 51% owned subsidiary company of LBS.
- (v) On 29 March 2018, MITC Engineering Sdn. Bhd. (“MITCE”), a wholly-owned subsidiary company of MGB, subscribed for 15,000 ordinary shares, representing 30% equity interest in MGB JPC Consultancy Sdn. Bhd. (“MGB JPC”) for a total cash consideration of RM15,000 only. Consequently, MGB JPC became a 30% owned associated company of MITCE.
- (vi) Changes of equity interest in MGB

During the current financial quarter, the Company’s equity interest in MGB has decreased from 54.97% to 54.72% as the result of the followings:

- a) Acquisition of 711,000 ordinary shares of MGB by the Company for a total cash consideration of RM903,112 only; and
- b) Conversion of 3,603,900 Warrants 2014/2019 by non-controlling interests at the exercise price of RM0.50 per warrant into 3,603,900 new ordinary shares.

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

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A12. Material events subsequent to the end of financial period

(i) On 18 April 2018, LBS acquired 539,000 ordinary shares, representing 49% equity interest in Bendera Berlian Sdn. Bhd. ("BBSB") for a total cash consideration of RM539,000 only. Consequently, BBSB became a 49% owned associated company of LBS.

(ii) Changes of equity interest in MGB

In April and May 2018, the Company's equity interest in MGB has decreased from 54.72% to 54.63% as the result of the followings:

- a) Acquisition of 296,000 ordinary shares of MGB by the Company for a total cash consideration of RM352,010 only; and
- b) Conversion of 1,354,779 Warrants 2014/2019 by non-controlling interests at the exercise price of RM0.50 per warrant into 1,354,779 new ordinary shares.

There were no other material subsequent events as at 23 May 2018, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 March 2018 were as follows:

	Amount RM'000
Approved and contracted for:	
a) Property development land	
- Sale and Purchase Agreement	3,420
- Joint Venture Agreements	417,611
b) Acquisition of property, plant and equipment	
- Sale and Purchase Agreement	10,450
c) Interior design and renovation works:	
- Purchase Order	430
	<u>431,911</u>

A14. Changes in contingent assets or contingent liabilities

	31.03.2018 RM'000	31.03.2017 RM'000
Bank guarantees issued for :		
- Property Development	51,628	41,777
- Construction Contracts	12,775	6,809
- Others	30	30
	<u>64,433</u>	<u>48,616</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	1,757
Rental income	69
Expenses	
Equity instrument	256
Purchase of property	1,500
Rental expenses	20
Rendering of services	131
Finance costs	66

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

Revenue and profit or loss before tax of the respective operating segments are analysed as follows:

	3 Months Ended		Changes
	31.03.2018	31.03.2017	
	RM'000	RM'000	%
Revenue			
Property Development	193,484	220,605	-12%
Construction and Trading	158,632	163,504	-3%
Management, Investment & Others	7,329	3,427	114%
Motor Racing Circuit	5,750	3,194	80%
Total revenue	<u>365,195</u>	<u>390,730</u>	-7%
Less: Inter-segment revenue	<u>(125,078)</u>	<u>(143,380)</u>	13%
Revenue from external customers	<u>240,117</u>	<u>247,350</u>	-3%
Profit / (Loss) before tax			
Property Development	23,313	31,377	-26%
Construction and Trading	12,849	12,639	2%
Management, Investment & Others	9,153	2,971	208%
Motor Racing Circuit	<u>(2,000)</u>	<u>(4,963)</u>	60%
	<u>43,315</u>	<u>42,024</u>	3%

For the current quarter under review, the Group achieved revenue and profit before tax ("PBT") of approximately RM240 million and RM43 million respectively. These represent 3% decrease in revenue and 3% increase in PBT over the results achieved in the corresponding quarter in the year 2017.

Property Development

Property development remains as the key driver of our business operations and it accounted for more than 80% of our Group's total revenue.

For the current quarter under review, Property Development segment recorded lower revenue and PBT by 12% and 26% respectively.

The revenue and PBT were lower mainly due to:

- (i) Completion of certain projects towards the end of year 2017; and
- (ii) First quarter is typically a soft period for property market as it coincides with the holiday break during the Chinese New Year period and the shorter month of February.

Nevertheless, the remaining ongoing projects are progressing well and according to schedule .

Ongoing projects which contributed to the revenue and PBT were Bandar Saujana Putra, D' Island Residence, Bandar Putera Indah, Sinaran Mahkota, Midhills, Desiran Bayu, LBS Alam Perdana, Residensi Bintang Bukit Jalil and Zenopy Residences.

Projects within the Klang Valley remain as the largest revenue contributor, accounting for approximately 56% of the Group's current quarter revenue.

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

Construction and Trading

For the current quarter under review, the Construction and Trading segment posted lower revenue by 3% and PBT increased by 2%. The revenue was primarily from in-house projects. The decrease in revenue was mainly due to completion and handover of certain in-house projects towards the end of year 2017.

Management, Investment and Others

For the current quarter under review, the Management, Investment and Others segment posted higher revenue and PBT by 114% and 208% respectively.

The increase in revenue was mainly due to increase in intra-group income from project management fees. The increase in PBT was mainly due to a gain on a bargain purchase, increase in intra-group interest income and decrease in share-based payment.

Motor Racing Circuit

For the current quarter under review, the Motor Racing Circuit segment recorded higher revenue by 80% and improvement in Loss before tax ("LBT") by 60%. The higher revenue and lower LBT were primarily due to higher income derived from corporate day events and lower depreciation charge.

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

	Current Quarter 31.03.2018 RM'000	Immediate Preceding Quarter 31.12.2017 RM'000	Changes (%)
Revenue	240,117	406,873	-41%
Profit before tax ("PBT")	43,315	49,532	-13%

For the current quarter under review, the Group's revenue and PBT were approximately RM240 million and RM43 million respectively as compared to the revenue and PBT of approximately RM407 million and RM50 million respectively in the immediate preceding quarter.

The lower revenue and PBT were mainly due to:

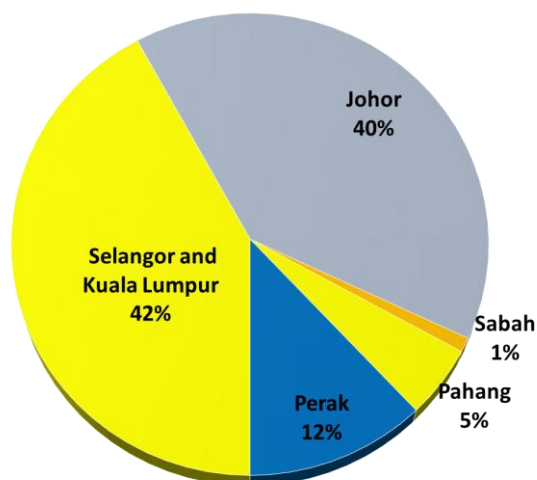
- (i) Completion and handover of certain projects towards the end of immediate preceding quarter; and
- (ii) First quarter is typically a soft period for property market as it coincides with the holiday break during the Chinese New Year period and the shorter month of February.

Nevertheless, the remaining ongoing projects are progressing well and according to schedule.

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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 approximately 4,170 acres and the breakdown by geographical area is as follows:



Whilst the prospects for the property industry remains challenging, the Group's prospects remain positive with total property sales of RM703 million as at 29 May 2018, total unbilled sales of RM1.54 billion as at 30 April 2018, anchored by 18 ongoing projects and a total land bank of approximately 4,170 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 31.03.2018 RM'000	Preceding year Quarter 31.03.2017 RM'000	Current year To date 31.03.2018 RM'000	Preceding year To date 31.03.2017 RM'000
Current year tax provision	17,565	16,613	17,565	16,613
Under provision in prior years	-	244	-	244
Deferred taxation	(310)	(485)	(310)	(485)
Total tax expense	<u>17,255</u>	<u>16,372</u>	<u>17,255</u>	<u>16,372</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 differences.

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 23 May 2018, 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 20 April 2014, the Company's indirect subsidiary company, Koleksi Sigma Sdn. Bhd. had entered into a Joint Development Agreement ("JDA") with YPJ Multi Ventures Sdn. Bhd. for the proposed joint development project to develop 3 pieces of land with the 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.

- (ii) 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).

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.

- (iii) 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.

- (iv) On 16 June 2017, 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.

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 23 May 2018, 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) *Cont'd*

On 27 December 2017, RHBIB announced that Bursa Securities had vide its letter dated 26 December 2017, resolved to grant the MGB an extension of time from 3 January 2018 until 30 June 2018 to complete the implementation of the Private Placement.

As at the report date, there is no additional Placement Shares being issued subsequent to the completion of first tranche of the Private Placement.

(v) On 31 October 2017, the Company proposed to undertake the followings:

(i) proposed subdivision of every 1 existing ordinary share in LBGB into 2 ordinary shares in LBGB ("**Subdivided Share(s)**" or "**LBGB Share(s)**") held on an entitlement date to be determined and announced later ("**Entitlement Date**") ("**Proposed Subdivision**"); and

(ii) proposed bonus issue of up to 162,993,550 new LBGB Shares ("**Bonus Share(s)**") on the basis of 1 Bonus Share for every 10 Subdivided Shares held on the Entitlement Date ("**Proposed Bonus Issue**").

(collectively referred to as the "Proposals")

On 24 November 2017, RHB Investment Bank Berhad ("RHB Investment Bank"), on behalf of the Board of Directors of LBGB, has submitted the application in relation to the Proposals to Bursa Malaysia Securities Berhad ("Bursa Securities").

On 14 December 2017, Bursa Securities has via its letter dated 14 December 2017, approved the following:

(a) Listing and quotation of:

1. up to 162,993,550 Bonus Shares to be issued pursuant to the Proposed Bonus Issue;
2. up to 10,561,694 additional warrants A 2008/2018 ("Warrants A") pursuant to the adjustment arising from the Proposals;
3. up to 67,316,805 additional warrants B 2015/2020 ("Warrants B") pursuant to the adjustment arising from the Proposals; and
4. up to 147,126,291 new Subdivided Shares to be issued arising from the exercise of the additional Warrants A and additional Warrants B, and conversion of the outstanding redeemable convertible preference shares ("RCPS") following the adjustment arising from the Proposals.

(b) The approval granted by Bursa Securities is subject to the following conditions:

1. LBGB and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;
2. LBGB and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposals;
3. LBGB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed; and
4. LBGB and RHB Investment Bank are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements.

On 7 February 2018, the Company had announced the book closure date in relation to the Proposals.

On 13 February 2018, the Company announced on the adjustments for Warrants A, Warrants B and RCPS pursuant to the Proposals.

The Proposals have been completed on 27 February 2018.

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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 23 May 2018, 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*)

- (vi) On 5 March 2018, the Company had entered into a Heads of Agreement (“HOA”) with NWP Holdings Berhad (“NWP”) for the followings:
 - (i) The Company, through its indirect wholly-owned subsidiary company namely, Lamdeal Investments Limited, to undertake jointly with NWP, a development project on the 264 acres of land (“Development Land”) involving transformation of Zhuhai International Circuit Limited, which is located in Jinding District, Zhuhai, Guangdong Province, People’s Republic Of China (“Proposed Development”).
 - (ii) The Company to subscribe 1,100,000,000 NWP Shares, representing approximately 73.7% of the enlarged number of issued shares of NWP for a total cash consideration of RM93,500,000 or 8.5 sen per share for the purpose of part funding the Proposed Development.

On 30 April 2018, the Company announced that pursuant to the terms of the HOA, the expiry date of the HOA shall fall on 4 May 2018. The Company and NWP had, on 30 April 2018, mutually agreed to extend the expiry date of the HOA from 4 May 2018 to 4 June 2018 for the Company and NWP to enter into the Definitive Agreements in respect of the Proposed Development in accordance with the terms of the HOA.

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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	Dec-17
(d) Final tranche	200,000	3-June-16	Mar-18
	850,000		

The utilisation status of the final tranche of Promissory Note as at 23 May 2018, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of interim financial report, was as follows:

Final Tranche 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	123,750	66,008	(66,008)	-	-	-	1 year	N/A
Special dividend	1	65,000	34,671	(34,671)	-	-	-	2 years	N/A
Operating expenses	1	11,250	6,001	(6,001)	-	-	-	1 year	N/A
		200,000	106,680	(106,680)	-	-	-		

Note:

- Adopted the exchange rate of HKD1.00 : RM0.5334, being the closing rate as at 3 June 2016 published by Bank Negara.

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B8. Borrowings and debt securities

The Group borrowings and debt securities were as follows:

Period ended 31.03.2018

	<u>Long term</u>		<u>Short term</u>		<u>Total borrowings</u>	
	<u>Foreign denomination</u>	<u>RM'000 denomination</u>	<u>Foreign denomination</u>	<u>RM'000 denomination</u>	<u>Foreign denomination</u>	<u>RM'000 denomination</u>
<u>Secured</u>						
Bank overdrafts	N/A	-	N/A	84,621	N/A	84,621
Finance lease payables	N/A	9,606	N/A	4,040	N/A	13,646
Bank borrowings	N/A	626,186	N/A	316,321	N/A	942,507
SUKUK	N/A	28,449	N/A	4,989	N/A	33,438
Total borrowings		<u>664,241</u>		<u>409,971</u>		<u>1,074,212</u>

Period ended 31.03.2017

	<u>Long term</u>		<u>Short term</u>		<u>Total borrowings</u>	
	<u>Foreign denomination</u>	<u>RM'000 denomination</u>	<u>Foreign denomination</u>	<u>RM'000 denomination</u>	<u>Foreign denomination</u>	<u>RM'000 denomination</u>
<u>Secured</u>						
Bank overdrafts	N/A	-	N/A	83,277	N/A	83,277
Finance lease payables	N/A	3,707	N/A	2,101	N/A	5,808
Bank borrowings						-
- Ringgit Malaysia	N/A	357,856	N/A	220,795	N/A	578,651
- USD	USD1 : RM4.4230	4,733	N/A	-	N/A	4,733
Total borrowings		<u>366,296</u>		<u>306,173</u>		<u>672,469</u>

B9. Material litigation

There was no material litigation as at 23 May 2018, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B10. Dividend declared

No dividend has been declared for the quarter under review.

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B11. Earnings per share (“EPS”)

Basic EPS

The basic earnings per share has been calculated based on the consolidated profit for the financial period attributable to the owners of the Parent and the weighted average number of ordinary shares in issue during the financial period as follows:

	Current Period Ended 31.03.2018	Preceding Period Ended Restated 31.03.2017
Net profit attributable to Owners of the Parent (RM'000)	<u>23,044</u>	<u>24,773</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,018,702</u>	<u>1,469,128</u> #
Basic EPS (sen)	<u>2.26</u>	<u>1.69</u> #

The weighted average number of ordinary shares in issue and basic earnings per share have been restated to reflect the retrospective adjustment arising from the share subdivision and bonus issue which have been completed on 27 February 2018.

Diluted EPS

Diluted earnings per share has been calculated based on the consolidated profit for the financial period attributable to the owners of the Parent and the adjusted weighted average number of ordinary shares issued and issuable during the financial period adjusted for the dilutive effects of all potential ordinary shares as follows:

	Period Ended 31.03.2018	Period Ended Restated 31.03.2017
Net profit attributable to Owners of the Parent (RM'000)	<u>23,044</u>	<u>24,773</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>1,075,320</u>	<u>1,507,632</u> ^
Diluted EPS (sen)	<u>2.14</u>	<u>1.64</u> ^

^ The adjusted weighted average number of ordinary shares in issue and diluted earnings per share have been restated to reflect the effects of full conversion of ESOS and warrants pursuant to the share subdivision and bonus issue which have been completed on 27 February 2018.

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

	Current Year Quarter 31.03.2018 RM'000	Current Year To Date 31.03.2018 RM'000
Allowance for impairment loss on :		
- Goodwill arising on consolidation	(948)	(948)
- Receivables	(310)	(310)
Contingency sum provided in prior years no longer required	8,775	8,775
Depreciation of :		
- Investment properties	(329)	(329)
- Property, plant and equipment	(5,519)	(5,519)
Dividend income from financial assets at fair value through profit or loss	17	17
Gain on disposal of :		
- Property, plant and equipment	151	151
Gain on a bargain purchase arising from acquisition of a subsidiary company	2,342	2,342
Property, plant and equipment written off	(7)	(7)
Reversal of allowance for impairment loss on receivables	2,335	2,335
Net foreign exchange gain	(79)	(79)

By Order of the Board,

**Dato' Lim Mooi Pang
Executive Director**

Petaling Jaya, Selangor Darul Ehsan
30 May 2018