



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

Interim Financial Report

30 June 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 June 2017**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2017 RM'000	Preceding Year Quarter 30.06.2016 RM'000	Current Year To date 30.06.2017 RM'000	Preceding Year To date 30.06.2016 RM'000
Revenue		356,090	225,612	603,440	426,084
Cost of sales		(248,433)	(159,843)	(409,284)	(292,508)
Gross profit		107,657	65,769	194,156	133,576
Interest Income		199	1,714	1,792	3,528
Other income		6,117	6,547	8,991	10,212
Operating expenses		(56,104)	(38,047)	(98,236)	(79,878)
Finance costs		(7,265)	(5,617)	(14,082)	(12,329)
Share of (loss) / profit in associated companies		(17)	48	(10)	302
Profit before taxation		50,587	30,414	92,611	55,411
Taxation	B5	(19,015)	(10,720)	(35,387)	(19,694)
Net profit for the financial period		31,572	19,694	57,224	35,717
Net profit for the financial period attributable to: -					
Owners of the Company		28,431	20,154	53,204	37,015
Non-controlling interests		3,141	(460)	4,020	(1,298)
		31,572	19,694	57,224	35,717
Earnings per share attributable to Owners of the Company:-					
Basic (sen)	B11	4.33	3.63	8.10	6.66
Diluted (sen)	B11	4.21	3.41	7.87	6.26

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2017 RM'000	Preceding Year Quarter 30.06.2016 RM'000	Current Year To date 30.06.2017 RM'000	Preceding Year To date 30.06.2016 RM'000
Net profit for the financial period	31,572	19,694	57,224	35,717
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	(1,690)	4,153	(3,783)	(17,137)
Gain / (Loss) on revaluation of available-for-sale financial assets	1,663	-	(3,184)	-
Total comprehensive income for the financial period	<u>31,545</u>	<u>23,847</u>	<u>50,257</u>	<u>18,580</u>
Total comprehensive income attributable to: -				
Owners of the Company	27,305	25,290	44,606	18,134
Non-controlling interests	4,240	(1,443)	5,651	446
	<u>31,545</u>	<u>23,847</u>	<u>50,257</u>	<u>18,580</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 June 2017

	Notes	30.06.2017 (Unaudited) RM'000	31.12.2016 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	275,509	261,064
Capital work-in-progress		5,779	5,368
Land and property development costs		767,122	730,526
Investment properties		40,992	61,469
Investment in associated companies		2,456	2,636
Other investments		91,994	99,950
Intangible asset		40,023	-
Goodwill on consolidation		78,693	126,980
		1,302,568	1,287,993
Current Assets			
Land and property development costs		477,605	359,131
Inventories		185,320	187,867
Amount owing by customers on contracts		3,583	207
Accrued billings in respect of land and property development costs		377,810	326,709
Trade and other receivables		526,475	425,955
Tax recoverable		6,754	6,844
Fixed deposits with licensed banks		31,387	49,079
Cash held under Housing Development Accounts		104,871	74,387
Cash and bank balances		105,919	107,332
		1,819,724	1,537,511
TOTAL ASSETS		3,122,292	2,825,504
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Company			
Share capital		758,382	641,424
Reserves		480,934	524,483
Treasury shares, at cost		(88)	(88)
		1,239,228	1,165,819
Non-controlling interests		49,278	41,205
TOTAL EQUITY		1,288,506	1,207,024

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

	Notes	30.06.2017 (Unaudited) RM'000	31.12.2016 (Audited) RM'000
<u>LIABILITIES</u>			
Non-Current Liabilities			
Trade and other payables		345,148	303,131
Finance lease payables	B8	5,311	4,127
Bank borrowings	B8	376,303	314,144
Deferred tax liabilities		14,311	18,232
		741,073	639,634
Current Liabilities			
Amount owing to customers on contract		10,721	11,841
Progress billings in respect of land and property development costs		21,618	13,299
Trade and other payables		726,880	632,664
Bank overdrafts	B8	80,614	100,902
Finance lease payables	B8	2,200	2,108
Bank borrowings	B8	210,329	195,545
Tax payable		40,351	22,487
		1,092,713	978,846
TOTAL LIABILITIES		1,833,786	1,618,480
TOTAL EQUITY AND LIABILITIES		3,122,292	2,825,504
Net Assets per share attributable to Owners of the Company (RM)		1.84	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 June 2017

	←----- 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	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	-	-	-	-	-	-	-	53,204	53,204	4,020	57,224
Foreign currency translation	-	-	-	-	(5,492)	-	78	-	(5,414)	1,631	(3,783)
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	(3,184)	-	(3,184)	-	(3,184)
Total comprehensive income for the financial period	-	-	-	-	(5,492)	-	(3,106)	53,204	44,606	5,651	50,257
Transactions with owners:											
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	371	371
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	2,442	-	2,442	(2,452)	(10)
Realisation of subsidiary companies' reserve	-	-	-	-	-	-	672	-	672	4,813	5,485
Dividend paid / payable	-	-	-	-	-	-	-	(13,459)	(13,459)	-	(13,459)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(310)	(310)
Issuance of ordinary shares:											
- Exercise of warrants	31,051	-	1,281	-	-	(2,157)	-	-	30,175	-	30,175
- Exercise of ESOS	7,456	-	46	-	-	-	-	-	7,502	-	7,502
Realisation of warrants B reserve	-	-	-	-	-	(6,691)	6,691	-	-	-	-
Realisation of ESOS's reserve	-	-	-	(107)	-	-	-	107	-	-	-
Realisation of ESOS's share premium	2,814	-	75	(2,889)	-	-	-	-	-	-	-
Share-based payment	-	-	-	1,471	-	-	-	-	1,471	-	1,471
Total transactions with owners	41,321	-	1,402	(1,525)	-	(8,848)	9,805	(13,352)	28,803	2,422	31,225
Reclassification pursuant to S618(2) of CA 2016*	75,637	-	(75,637)	-	-	-	-	-	-	-	-
Balance as at 30.06.2017	758,382	(88)	-	6,890	114,374	27,719	(211,363)	543,314	1,239,228	49,278	1,288,506

Note:

* The new Companies Act 2016 ("New Act"), which came 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 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the New Act. 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 June 2016 (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 1.1.2016	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	-	-	-	-	-	-	-	37,015	37,015	(1,298)	35,717
Foreign currency translation	-	-	-	-	(20,673)	-	1,792	-	(18,881)	1,744	(17,137)
Total comprehensive income for the financial period	-	-	-	-	(20,673)	-	1,792	37,015	18,134	446	18,580
Transactions with owners:											
Net changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(21,511)	-	(21,511)	210	(21,301)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Issuance of ordinary shares:											
- Exercise of warrants	27,429	-	5,099	-	-	(1,171)	-	-	31,357	-	31,357
- Exercise of ESOS	478	-	40	-	-	-	-	-	518	-	518
Share-based payment	-	-	-	1,395	-	-	-	-	1,395	-	1,395
Own shares sold	-	8,570	266	-	-	-	-	-	8,836	-	8,836
Shares repurchased	-	(16)	-	-	-	-	-	-	(16)	-	(16)
Total transactions with owners	27,907	8,554	5,405	1,395	-	(1,171)	(21,511)	-	20,579	(1,790)	18,789
Balance as at 30.06.2016	579,344	(80)	53,703	14,189	100,654	67,150	(246,767)	502,181	1,070,374	(20,632)	1,049,742

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 June 2017

	Current Period Ended 30.06.2017 RM'000	Preceding Period Ended 30.06.2016 RM'000
Profit before taxation	92,611	55,411
Adjustments for :-		
Non-cash items	16,912	5,949
Other operating items	8,392	8,331
Operating profit before changes in working capital	<u>117,915</u>	<u>69,691</u>
Changes in working capital :		
Land and property development costs	(112,777)	(140,761)
Inventories	2,544	7,662
Amount owing by / to customers on contract	(4,496)	2,297
Accrued / progress billings in respect of land and property development costs	(42,783)	(112,826)
Receivables	(89,858)	(80,531)
Payables	183,195	82,900
Foreign exchange reserve	16,012	9,880
	<u>(48,163)</u>	<u>(231,379)</u>
Cash generated from / (used in) operations	69,752	(161,688)
Dividend received	580	1,478
Interest received	1,792	2,038
Interest paid	(25,529)	(16,846)
Tax paid	(20,602)	(13,665)
Tax refund	16	1,211
	<u>(43,743)</u>	<u>(25,784)</u>
Net cash generated from / (used in) operating activities	<u>26,009</u>	<u>(187,472)</u>
Cash Flows From Investing Activities		
Additional investment in :		
- Subsidiary and associated companies	(4,616)	(33,460)
- Financial assets at fair value through profit or loss	(12,500)	(44,000)
Repayment of prior year investment in subsidiary and associated companies	(17,986)	(3,735)
Purchase of :		
- Investment properties	(301)	-
- Property, plant and equipment	(4,509)	(3,922)
Proceeds from disposal of :		
- Financial assets at fair value through profit or loss	12,527	42,924
- Investment properties	-	1,936
- Property, plant and equipment	701	14
- Subsidiary companies	6,660	-
Proceeds from Promissory note	-	199,719
Deposits and consideration paid for acquisition and joint venture of future development lands	(56,837)	(12,453)
Acquisition of subsidiary companies, net of cash acquired	(164)	-
Capital work-in-progress incurred	(1,667)	(8,748)
Net cash (used in) / generated from investing activities	<u>(78,692)</u>	<u>138,275</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

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

	Current Period Ended 30.06.2017 RM'000	Preceding Period Ended 30.06.2016 RM'000
Cash Flows From Financing Activities		
Decrease in fixed deposits pledged	18,151	2,611
(Increase) / decrease in cash and bank balances pledged	(10,366)	882
Drawdown of bank borrowings	211,825	178,902
Repayment of bank borrowings	(134,778)	(220,599)
Dividend paid	(26,487)	(32,719)
Dividend paid to non-controlling interests	(310)	(2,000)
Shares repurchased	-	(16)
Proceeds from :		
- Exercise of warrants	30,175	31,357
- Exercise of ESOS	7,502	518
- Own shares sold	-	8,836
Repayment of finance lease payables	(1,410)	(756)
Net cash generated from / (used in) financing activities	<u>94,302</u>	<u>(32,984)</u>
Net increase / (decrease) in cash and cash equivalents	41,619	(82,181)
Effect of exchange rate changes	(2,168)	(2,770)
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>119,247</u>	<u>69,409</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	31,387	33,928
Cash held under Housing Development Accounts	104,871	51,124
Cash and bank balances	105,919	89,374
Bank overdrafts	(80,614)	(78,943)
	<u>161,563</u>	<u>95,483</u>
Less : Fixed deposits pledged with licensed banks	(22,071)	(17,842)
Cash and bank balances pledged	<u>(20,245)</u>	<u>(8,232)</u>
	<u>119,247</u>	<u>69,409</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 Malaysia Securities Berhad (“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 basis except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act 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, Interpretation 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	Transfer 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

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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 and Amendments to FRSs that have been issued by the MASB which are not yet effective for the Group: - (*cont'd*)

		Effective date for financial periods <u>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 FRS 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 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 5,666,600 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 12,381,000 Warrants A were converted into ordinary shares at an exercise price of RM1.00 per Warrant A which have resulted in 12,381,000 ordinary shares being issued.
- (c) Issuance of shares pursuant to the conversion of Warrants B
A total of 14,235,325 Warrants B were converted into ordinary shares at an exercise price of RM1.25 per Warrant B which have resulted in 14,235,325 ordinary shares being issued.

(II) Under ML Global Berhad, the Company's subsidiary company

- (a) 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, a tax exempt special dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2016 was paid on 30 June 2017.

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A9. Segment information

Period ended 30 June 2017

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	544,947	335,616	29,479	8,438	918,480
Less: Inter-segment sales	-	(285,785)	(29,255)	-	(315,040)
Total revenue	544,947	49,831	224	8,438	603,440
FINANCIAL RESULTS					
Segment results	87,857	22,697	3,619	(9,262)	104,911
Interest income	1,453	54	236	49	1,792
Finance costs	(5,773)	(964)	(6,729)	(616)	(14,082)
Share of loss in associated companies	-	-	(10)	-	(10)
Profit / (loss) before taxation	83,537	21,787	(2,884)	(9,829)	92,611
Taxation	(28,743)	(5,745)	(1,743)	844	(35,387)
Net profit / (loss) for the financial period	54,794	16,042	(4,627)	(8,985)	57,224
Assets					
Additions to non-current assets	63,537	3,155	416	824	67,932
Segment assets	2,331,365	145,215	422,641	223,071	3,122,292
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	8,366	-	3	-	8,369
- Receivables	-	-	-	28	28
Bad debts written off	330	-	692	-	1,022
Depreciation of :					
- Investment properties	105	324	8	-	437
- Property, plant and equipment	1,473	1,720	596	4,307	8,096
Net loss on disposal of :					
- Property, plant and equipment	156	-	212	-	368
- Financial assets at fair value through profit or loss	-	-	10	-	10
Property, plant and equipment written off	5	15	7	96	123
Share-based payment	-	-	1,471	-	1,471
Unrealised loss on foreign exchange	-	-	178	113	291
Other non-cash income					
Dividend income from					
financial assets at fair value through profit or loss	-	-	(38)	-	(38)
Gain on disposal of :					
- Property, plant and equipment	-	(121)	-	-	(121)
- Subsidiary companies	-	-	(778)	-	(778)
Reversal of allowance for impairment loss on receivable	(128)	-	-	-	(128)
Reversal on contingency sum provided in prior years	(2,997)	-	-	-	(2,997)
Waiver of debts	-	-	(279)	-	(279)

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A9. Segment information (cont'd)

Period ended 30 June 2016

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	363,689	238,965	93,298	11,150	707,102
Less: Inter-segment sales	-	(188,192)	(92,826)	-	(281,018)
Total revenue	363,689	50,773	472	11,150	426,084
RESULTS					
Segment results	50,363	16,711	2,277	(5,441)	63,910
Interest income	1,835	-	1,645	48	3,528
Finance costs	(6,491)	(959)	(4,182)	(697)	(12,329)
Share of profit / (loss) in associated companies	-	738	(436)	-	302
Profit / (loss) before taxation	45,707	16,490	(696)	(6,090)	55,411
Taxation	(15,071)	(4,146)	(1,303)	826	(19,694)
Net profit / (loss) for the financial period	30,636	12,344	(1,999)	(5,264)	35,717
Assets					
Additional investment in associated companies	36,100	-	12,815	-	48,915
Additions to non-current assets	61,888	3,887	513	1,822	68,110
Segment assets	1,958,707	130,305	194,805	223,868	2,507,685
Other non-cash expenses					
Allowance for impairment loss on goodwill arising on consolidation	429	-	-	-	429
Depreciation of :					
- Investment properties	127	232	3	-	362
- Property, plant and equipment	861	1,064	325	5,316	7,566
Development costs written off	203	-	-	-	203
Property, plant and equipment written off	12	1	249	13	275
Share-based payment	-	-	1,395	-	1,395
Unrealised loss on foreign exchange	-	-	-	32	32
Other non-cash income					
Dividend income from financial assets at fair value through profit or loss	-	-	(181)	-	(181)
Fair value gain on financial assets at fair value through profit or loss	-	-	(61)	-	(61)
Gain on disposal of :					
- Financial assets at fair value through profit or loss	-	-	(19)	-	(19)
- Investment properties	-	(172)	-	-	(172)
- Property, plant and equipment	-	(1)	-	-	(1)
Interest income from financial assets measured at amortised cost	-	-	(1,490)	-	(1,490)
Unrealised gain on foreign exchange	-	-	(2,569)	-	(2,569)

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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 18 April 2017, MGB Land Sdn Bhd (formerly known as Vintage Tiles Industries (EM) Sdn. Bhd.) (MGBLSB), a wholly-owned subsidiary company of ML Global Berhad (“MGB”), which in turn a 55.34% owned subsidiary company of the Company, acquired 1 ordinary share in Idaman Kukuh Sdn. Bhd. (“IKSB”) for a total cash consideration of RM1 only. Consequently, IKSB became a wholly-owned subsidiary company of MGBLSB.
- (ii) On 8 May 2017, MITC Engineering Sdn. Bhd. (“MITCE”), a wholly-owned subsidiary company of MGB, acquired 700 ordinary shares in MGB Geotech Sdn. Bhd. (“MGB Geotech”) for a total cash consideration of RM700 only. Consequently, MGB Geotech became a 70% owned subsidiary company of MITCE.

On 13 June 2017, MGB Geotech increased its paid up share capital from 1,000 to 750,000 ordinary shares. MITCE had subscribed for an additional 524,300 ordinary shares in MGB Geotech by way of cash.

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

- (i) On 7 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 RM25,000.00 only. Consequently, SMSB became a wholly-owned subsidiary company of LBS.
- (iii) On 12 July 2017, LBS subscribed 51,000 ordinary shares in Kirana Emas Sdn. Bhd. (“Kirana Emas”) for a total cash consideration of RM51,000 only. Consequently, Kirana Emas became a 51% owned subsidiary company of LBS.
- (iv) On 13 July 2017, LBS subscribed 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 100 ordinary shares in Duta Abadi Sdn. Bhd. (“DASB”) for a total cash consideration of RM100 only. Consequently, DASB became a wholly-owned subsidiary company of LBS.

There were no other material subsequent events as at 22 August 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 June 2017 were as follows:

	Amount RM'000
Approved and contracted for property development land:	
- Sale and Purchase Agreements	50,445
- Development Rights Agreements	272,491
- Joint Venture Agreements	442,110
Approved and contracted for acquisition of property, plant and equipment:	
- Sale and Purchase Agreements	1,350
	<u>766,396</u>

A14. Changes in contingent assets or contingent liabilities

	30.06.2017 RM'000	30.06.2016 RM'000
Bank guarantees issued for :		
- Property Development	45,089	16,709
- Construction Contracts	13,576	53
- Others	30	30
	<u>58,695</u>	<u>16,792</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	14,962
Rental income	16
Expenses	
Contractors' fees	4,808
Equity instrument	150
Legal fees	199
Rental expenses	77
Rendering of services	124
Interest on advances	113

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 30.06.2017 RM'000	Preceding Year Quarter 30.06.2016 RM'000	Changes (%)	Current Year To date 30.06.2017 RM'000	Preceding Year Period 30.06.2016 RM'000	Changes (%)
Revenue						
Property Development	324,342	189,703	71%	544,947	363,689	50%
Construction and Trading	172,112	156,180	10%	335,616	238,965	40%
Management, Investment & Others	26,052	(8,458)	408%	29,479	93,298	-68%
Motor Racing Circuit	5,244	6,020	-13%	8,438	11,150	-24%
	<u>527,750</u>	<u>343,445</u>	54%	<u>918,480</u>	<u>707,102</u>	30%
Less: Inter-segment sales	<u>(171,660)</u>	<u>(117,833)</u>	-46%	<u>(315,040)</u>	<u>(281,018)</u>	-12%
	<u>356,090</u>	<u>225,612</u>	58%	<u>603,440</u>	<u>426,084</u>	42%
Profit / (Loss) before taxation						
Property Development	45,964	26,529	73%	83,537	45,707	83%
Construction and Trading	9,403	8,006	17%	21,787	16,490	32%
Management, Investment & Others	86	(657)	113%	(2,884)	(696)	-314%
Motor Racing Circuit	<u>(4,866)</u>	<u>(3,464)</u>	-40%	<u>(9,829)</u>	<u>(6,090)</u>	-61%
	<u>50,587</u>	<u>30,414</u>	66%	<u>92,611</u>	<u>55,411</u>	67%

For the current quarter under review, the Group achieved revenue and profit before taxation ("PBT") of approximately RM356 million and RM51 million respectively. These represent 58% increase in revenue and 66% increase in PBT over the results achieved in the corresponding quarter in the year 2016.

For the six months ended 30 June 2017, the Group achieved revenue and PBT of approximately RM603 million and RM93 million respectively. These represent 42% increase in revenue and 67% 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, Cameron Golden Hills, 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 more than 90% of our Group's total revenue for the financial period ended 30 June 2017.

For the financial period ended 30 June 2017, Property Development segment posted a higher revenue by 50% from the prior financial period of RM364 million to RM545 million. The PBT increased by 83% to RM84 million from RM46 million in the previous financial period.

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

Property Development (*cont'd*)

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

In the financial period ended 30 June 2017, the Group achieved property sales of approximately RM799 million as at 28 August 2017 and unbilled sales of RM1.395 billion as at 30 July 2017. Projects within the Klang Valley remain the largest revenue contributor, accounting for more than 73% of the Group's revenue.

Construction and Trading

For the financial period ended 30 June 2017, the Construction and Trading segment posted a higher revenue and PBT by 40% and 32% respectively. The increase in revenue and PBT were primarily contributed from in-house jobs.

Management, Investment and Others

For the financial period ended 30 June 2017, the Management, Investment and Others segment posted a lower revenue by 68% and a higher loss before taxation ("LBT") by 314%.

The decrease in the segment's revenue was mainly due to less intra-group dividends being declared in the current financial period. The increase in the segment's LBT was mainly due to the decrease of unrealised foreign exchange gain on bank loan in foreign currency as a result of weakening of Ringgit Malaysia.

Motor Racing Circuit

For the financial period ended 30 June 2017, the Motor Racing Circuit segment recorded a lower revenue by 24% and higher LBT by 61% respectively which were largely due to less income from sponsorship, racing and corporate day events and higher upgrading and transformation expenses incurred in the current financial period.

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

	Current Quarter 30.06.2017 RM'000	Immediate Preceding Quarter 31.03.2017 RM'000	Changes (%)
Revenue	356,090	247,350	44%
Profit before taxation ("PBT")	50,587	42,024	21%

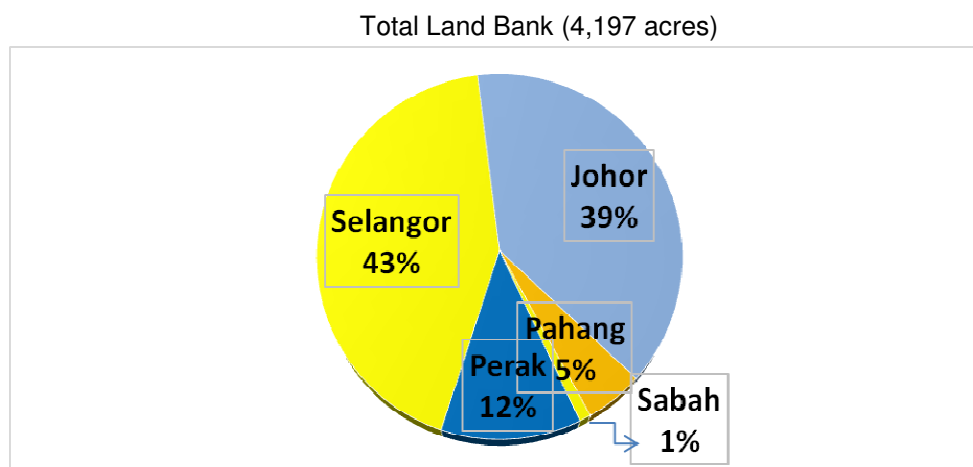
For the current quarter under review, the Group's revenue and PBT were approximately RM356 million and RM51 million respectively as compared to the revenue and PBT of approximately RM247 million and RM42 million respectively in the immediate preceding quarter.

Higher revenue and PBT in the current quarter was mainly due to impressive take up rate and steady construction progress from our ongoing projects.

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B3. Group's prospects for the current financial year

The Board is pleased to announce that as at 28 August 2017, the Group achieved property sales of approximately RM799 million and property development remains the key driver of our business operations.



The Group's prospects remain positive with its Group's property sales stood at RM799 million as at 28 August 2017, total unbilled sales of RM1.395 billion as at 30 July 2017, anchored by 18 ongoing projects and remaining land bank of 4,197 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 were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 30.06.2017 RM'000	Preceding year Quarter 30.06.2016 RM'000	Current year To date 30.06.2017 RM'000	Preceding year To date 30.06.2016 RM'000
Current year tax provision	21,640	11,869	38,253	25,545
(Over) / Under provision in prior	(20)	-	224	-
Deferred taxation	(2,605)	(1,149)	(3,090)	(5,851)
Total tax expense	19,015	10,720	35,387	19,694

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 22 August 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.

There is no material development from the date of announcement.

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

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 22 August 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*)

- (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 9 March 2017, the Company proposed to undertake the followings:-
- i) A renounceable rights issue of up to 150,598,126 new Redeemable Convertible Preference Shares ("RCPS") on the basis of 1 RCPS for every 5 existing LBS Bina Group Berhad ("LBGB") Shares held on the Entitlement Date ("Proposed Rights Issue"); and
 - ii) Amendments to the Constitution of LBGB.

(collectively referred to as the "**Proposals**")

On 15 May 2017, the Company announced that Bursa Securities has, vide its letter dated 12 May 2017 ("Approval Letter"), resolved to approve the followings:-

- i) Admission of up to 150,598,126 new RCPS to the Official List of Bursa Securities pursuant to the Proposed Rights Issue;
- ii) Listing of and quotation for up to 150,598,126 new RCPS to be issued pursuant to the Proposed Rights Issue; and
- iii) Additional listing of and quotation for up to 75,299,063 new LBGB Shares to be issued arising from the conversion of the RCPS pursuant to the Proposed Rights Issue.

On 29 June 2017, the Company had resolved to fix the following issue price and conversion ratio pursuant to the Proposals:-

- (i) the issue price of the RCPS at RM1.10 per RCPS; and
- (ii) the conversion ratio of the RCPS at 1 new LBGB Share for every 2 RCPS held.

On 11 August 2017, the Company announced that the 115,448,037 RCPS were listed and quoted on the Main Market of Bursa Securities, marking the completion of the Proposals.

- (vii) 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.

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 22 August 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*)

- (viii) On 18 April 2017, the 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.
- (ix) On 5 July 2017, the 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 to be obtained 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 by the Commission of Companies Malaysia to MGB.

- (x) 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.

There is no material development from the date of announcement.

- (xi) 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.

This 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
	850,000		

The utilisation status of all tranches of Promissory Note as at 22 August 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance 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
		250,000	112,700	(112,700)	-	(25,842)	-235%	

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
		200,000	107,480	(107,480)	-	(26,812)	-176%		

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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 completed on 11 August 2017.

The status of utilization of the proceeds as at 22 August 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) Alam Perdana (Ijok, Selangor)	38,098	11,369	26,729	-	-	2.3 years	N/A
Kota Tinggi (Johor) Cybersouth (Dengkil, Selangor)	25,399	16,324	9,075	-	-	1.3 years	N/A
Midhills (Gohtong Jaya, Pahang)	12,699	6,000	6,699	-	-	1.3 years	N/A
Bandar Putera Indah (Batu Pahat, Johor)	12,699	7,221	5,478	-	-	1.3 years	N/A
Other projects	12,699	12,699	-	-	-	2.3 years	N/A
Working Capital	12,699	3,119	9,580	-	-	1.3 years	N/A
	6,350	-	6,350	-	-	1.3 years	N/A
	6,350	-	6,350	-	-	3.3 years	N/A
	126,993	56,732	70,261	-	-		

(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. This also marked the completion of the first tranche of the Proposed Private Placement.

As at 21 August 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	4,954	24,862	-	-	1 year	N/A
Defray the estimated expenses *	424	424	-	-	-	1 month	N/A
	30,240	5,378	24,862	-	-		

*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.

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B8. Borrowings and debt securities

The Group borrowings and debt securities were as follows:-

	<u>Long term</u>		<u>Period ended 30.06.2017</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>Foreign denomination</u>	<u>RM'000 denomination</u>
	<u>Secured</u>							
Bank overdrafts	N/A	-	N/A	80,614	N/A		N/A	80,614
Finance lease payables	N/A	5,311	N/A	2,200	N/A		N/A	7,511
Bank borrowings	N/A	376,303	N/A	210,329	N/A		N/A	586,632
Total borrowings		<u>381,614</u>		<u>293,143</u>				<u>674,757</u>

	<u>Long term</u>		<u>Period ended 30.06.2016</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>Foreign denomination</u>	<u>RM'000 denomination</u>
	<u>Secured</u>							
Bank overdrafts	N/A	-	N/A	78,943	N/A		N/A	78,943
Finance lease payables	N/A	4,562	N/A	1,977	N/A		N/A	6,539
Bank borrowings								
- Ringgit Malaysia	N/A	254,676	N/A	196,892	N/A		N/A	451,568
- USD	USD1 : RM4.0225	2,253	USD1 : RM4.0225	8,206	USD1 : RM4.0225		10,459	
Total borrowings		<u>261,491</u>		<u>286,018</u>				<u>547,509</u>

B9. Material litigation

There was no material litigation as at 22 August 2017, 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

In respect of the previous financial year ended 31 December 2016:-

On 5 April 2017, the Company declared a special dividend of 2 sen per ordinary share (Exempt from Income Tax) which the entitlement date and payment date have been fixed on 20 June 2017 and 30 June 2017 respectively.

On 25 April 2017, the Company declared a single tier interim dividend of 2 sen per ordinary share which the entitlement date and payment date have been fixed on 11 July 2017 and 24 July 2017 respectively.

At the Annual General Meeting held on 31 May 2017, the shareholders of the Company approved a final dividend of 2 sen per ordinary share which will be paid on 31 August 2017 to depositors registered in the Record of Depositors on 15 August 2017.

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B11. Earnings per share (“EPS”)

Basic EPS

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

	Current period to date 30.06.2017	Preceding period to date 30.06.2016
Net profit attributable to Owners of the Company (RM'000)	<u>53,204</u>	<u>37,015</u>
Weighted average number of ordinary shares in issue ('000)	<u>656,454</u>	<u>555,395</u>
Basic EPS (sen)	<u>8.10</u>	<u>6.66</u>

Diluted EPS

The calculation of the diluted earnings per share 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 Warrants and the ESOS granted, adjusted for the number of such shares that would have been issued at fair value:-

	Current period to date 30.06.2017	Preceding period to date 30.06.2016
Net profit attributable to Owners of the Company (RM'000)	<u>53,204</u>	<u>37,015</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>675,650</u>	<u>591,027</u>
Diluted EPS (sen)	<u>7.87</u>	<u>6.26</u>

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

	Current Year Quarter 30.06.2017 RM'000	Current Period To Date 30.06.2017 RM'000
Bad debts written off	(692)	(1,022)
Depreciation of :		
- Investment properties	(224)	(437)
- Property, plant and equipment	(4,048)	(8,096)
Allowance for impairment loss on :		
- Goodwill arising on consolidation	(7,919)	(8,369)
- Receivables	(28)	(28)
Property, plant and equipment written off	(89)	(123)
Share-based payment	(250)	(1,471)
Net foreign exchange loss	(2,255)	(2,274)
Net gain / (loss) gain on disposal of :		
- Financial assets at fair value through profit or loss	1	(10)
- Property, plant and equipment	(357)	(247)
- Subsidiary companies	-	778
Dividend income from :		
- Financial assets at fair value through profit or loss	11	38
- Available-for-sale financial assets	3,870	3870
Reversal of allowance for impairment loss on receivables	41	128
Reversal on contingency sum provided in prior years	-	2,997
Waiver of debts	-	279
	<hr/>	<hr/>

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

	Unaudited 30.06.2017 RM'000	Audited 31.12.2016 RM'000
Total retained profits of the Company and its subsidiary companies:		
- Realised	979,266	900,532
- Unrealised	<u>25,881</u>	<u>28,936</u>
	<u>1,005,147</u>	<u>929,468</u>
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	<u>(596)</u>	<u>(562)</u>
	1,004,551	928,906
Less : Consolidation adjustments	<u>(461,237)</u>	<u>(425,444)</u>
Total Group retained profits as per consolidated accounts	<u><u>543,314</u></u>	<u><u>503,462</u></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
29 August 2017