



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

Interim Financial Report

31 March 2013

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LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
- For the financial period ended 31 March 2013

	Note	Individual Quarter		Cumulative Period	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Quarter	To date	To date
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		108,203	106,136	108,203	106,136
Cost of sales		(74,675)	(76,760)	(74,675)	(76,760)
Gross profit		33,528	29,376	33,528	29,376
Interest Income		917	449	917	449
Other operating income		1,427	837	1,427	837
Operating expenses		(16,010)	(11,650)	(16,010)	(11,650)
Finance costs		(3,724)	(4,443)	(3,724)	(4,443)
Share of results of associates		(2)	(13)	(2)	(13)
Profit before taxation		16,136	14,556	16,136	14,556
Taxation	B5	(6,035)	(5,323)	(6,035)	(5,323)
Profit from continuing operations		10,101	9,233	10,101	9,233
Discontinued operations					
Profit / (Loss) from discontinued operations		2,981	(630)	2,981	(630)
Profit for the financial period		13,082	8,603	13,082	8,603
Attributable to: -					
Owners of the Parent		12,704	6,287	12,704	6,287
Non-controlling interests		378	2,316	378	2,316
		13,082	8,603	13,082	8,603
Earnings per share attributable to Owners of the Parent					
Basic (sen)	B10				
- Profit from continuing operations		2.86	1.71	2.86	1.71
- Profit / (Loss) from discontinued operations		0.47	(0.08)	0.47	(0.08)
		3.33	1.63	3.33	1.63
-Diluted (sen)	B10				
- Profit from continuing operations		2.86	1.71	2.86	1.71
- Profit / (Loss) from discontinued operations		0.47	(0.08)	0.47	(0.08)
		3.33	1.63	3.33	1.63

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2013 (cont'd)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Quarter 31.03.2012 RM'000	Current Year To date 31.12.2013 RM'000	Preceding Year To date 31.03.2012 RM'000
Profit for the financial period	13,082	8,603	13,082	8,603
Other comprehensive income, net of tax:				
Foreign currency translation difference	4,649	(6,851)	4,649	(6,851)
Total comprehensive income for the financial period	<u>17,731</u>	<u>1,752</u>	<u>17,731</u>	<u>1,752</u>
Total comprehensive income attributable to:				
Owners of the Parent	15,928	827	15,928	827
Non-controlling interests	1,803	925	1,803	925
	<u>17,731</u>	<u>1,752</u>	<u>17,731</u>	<u>1,752</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 2013

	Note	31.03.2013 (Unaudited) RM'000	31.12.2012 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	A10	15,596	15,333
Capital work-in-progress		1,356	1,746
Investment properties		6,409	6,441
Land and property development costs		337,129	337,686
Investment in associated companies		2,705	2,702
Trade and other receivables		38,885	38,667
Other investments		1,254	1,254
Goodwill on consolidation		100,791	103,237
Deferred tax assets		1,290	113
		505,415	507,179
Current Assets			
Inventories		13,607	13,594
Land and property development costs		75,819	69,429
Accrued billing in respect of property development costs		95,393	110,493
Trade and other receivables		157,230	180,730
Tax recoverable		3,825	4,533
Fixed deposits with licensed banks		28,473	40,203
Cash held under Housing Development Accounts		27,090	36,936
Cash and bank balances		16,906	19,958
		418,343	475,876
Non-current assets classified as held for sale		579	4,679
Assets of disposal group classified as held for sale		454,973	447,274
		873,895	927,829
TOTAL ASSETS		1,379,310	1,435,008
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to Owners of the Parent			
Share capital		386,553	386,553
Reserves		78,887	62,959
Treasury shares, at cost		(4,407)	(4,407)
		461,033	445,105
Non-controlling Interests		83,521	81,726
Total Equity		544,554	526,831

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 31 March 2013 (cont'd)

	Note	31.03.2013 (Unaudited) RM'000	31.12.2012 (Audited) RM'000
Non-Current Liabilities			
Trade and other payables		87,233	86,964
Hire purchase payables	B7	2,070	2,293
Bank borrowings	B7	199,524	223,085
Islamic Securities	B7	60,000	75,000
Deferred tax liabilities		524	114
		349,351	387,456
Current Liabilities			
Progress billing in respect of property development costs		51,577	37,873
Trade and other payables		205,917	239,886
Hire purchase payables	B7	951	963
Bank overdrafts	B7	21,083	28,587
Bank borrowings	B7	92,308	99,399
Tax payable		36,007	36,368
		407,843	443,076
Liabilities of disposal group classified as held for sale		77,562	77,645
		485,405	520,721
Total Liabilities		834,756	908,177
TOTAL EQUITY AND LIABILITIES		1,379,310	1,435,008
Net Assets per share attributable to Owners of the Parent (RM)		1.19	1.15

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 2013

	← Attributable to Owners of the Parent →								<-Distributable->		Non-controlling Interests RM'000	Total Equity RM'000
	<----- Non-distributable ----->											
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Sub-total RM'000		
Balance as at 1.1.2013	386,553	(4,407)	16,945	3,259	10,271	311	14,952	(50,074)	67,295	445,105	81,726	526,831
Amount recognised directly in equity:												
Profit for the financial period	-	-	-	-	-	-	-	-	12,704	12,704	378	13,082
Foreign currency translation	-	-	-	-	3,224	-	-	-	-	3,224	1,425	4,649
Total comprehensive income for the financial period	-	-	-	-	3,224	-	-	-	12,704	15,928	1,803	17,731
Transactions with owners:												
Realisation of subsidiary's reserve	-	-	-	-	-	(15)	-	-	15	-	-	-
Total transactions with owners	-	-	-	-	-	(15)	-	-	15	-	-	-
Acquisition of additional interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	(8)	(8)
Balance as at 31.03.2013	386,553	(4,407)	16,945	3,259	13,495	296	14,952	(50,074)	80,014	461,033	83,521	544,554

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

~ For the financial period ended 31 March 2013 (cont'd)

	← Attributable to Owners of the Parent →									<-Distributable->	Non-controlling Interests RM'000	Total Equity RM'000
	<----- Non-distributable ----->											
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Sub-total RM'000		
Balance as at 1.1.2012	386,553	-	16,945	561	16,016	363	14,952	(49,453)	36,599	422,536	84,014	506,550
Amount recognised directly in equity:												
Profit for the financial period	-	-	-	-	-	-	-	-	6,287	6,287	2,316	8,603
Foreign currency translation	-	-	-	-	(5,460)	-	-	-	-	(5,460)	(1,391)	(6,851)
Total comprehensive income for the financial period	-	-	-	-	(5,460)	-	-	-	6,287	827	925	1,752
Transactions with owners:												
Dilution on investment in subsidiary	-	-	-	-	-	-	-	-	-	-	(73)	(73)
Own shares acquired	-	(565)	-	-	-	-	-	-	-	(565)	-	(565)
Realisation of subsidiary company's reserve	-	-	-	-	-	(26)	-	-	26	-	-	-
Share-based payment	-	-	-	74	-	-	-	-	-	74	-	74
Total transactions with owners	-	(565)	-	74	-	(26)	-	-	26	(491)	(73)	(564)
Balance as at 31.03.2012	386,553	(565)	16,945	635	10,556	337	14,952	(49,453)	42,912	422,872	84,866	507,738

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 2012 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
- For the financial period ended 31 March 2013

	Current Period Ended 31.03.2013 RM'000	Preceding Period Ended 31.03.2012 RM'000
Profit before taxation		
- continuing operations	16,136	14,556
- discontinued operations	2,999	(890)
Adjustments for :-		
Non-cash items	3,391	5,506
Other operating items	2,785	3,974
Operating profit before changes in working capital	25,311	23,146
Changes in land and property development costs	(3,823)	12,611
Changes in inventories	(107)	1,435
Changes in gross amount due from / to customers	(15)	(2,103)
Changes in receivables	19,591	6,801
Changes in payables	(30,092)	(28,633)
Changes in accrued / progress billing in respect of property development costs	28,805	5,815
Changes in foreign exchange reserve	1,765	(2,324)
Cash generated from operations	41,435	16,748
Interest received	942	482
Interest paid	(7,592)	(8,336)
Tax paid	(7,873)	(6,758)
Tax refund	1,192	10
Net cash generated from operating activities	28,104	2,146
Investing Activities		
Purchase of property, plant and equipment	(877)	(957)
Proceeds from disposal of property, plant and equipment	1	38
Proceeds from disposal of non-current asset held for sale	4,580	-
Investment in associated and subsidiary companies	-	(279)
Repayment of prior year investment in associated and subsidiary companies	(2,594)	(3,748)
Capital work-in-progress incurred	(303)	(936)
Net cash generated from / (used in) investing activities	807	(5,882)
Financing Activities		
Decrease / (Increase) in fixed deposit pledged	12,088	(4,773)
Decrease in cash and bank balances pledged	20	3,975
Drawdown of bank borrowings	21,380	39,695
Repayment of bank borrowings	(52,155)	(57,779)
Repayment of Islamic Securities	(15,000)	-
Repayment of hire purchase payables	(237)	(218)
Net cash used in financing activities	(33,904)	(19,100)
Net decrease in cash and cash equivalents	(4,993)	(22,836)
Cash and cash equivalents at the beginning of financial period	45,901	55,182
Effect of exchange rate changes	205	(878)
Cash and cash equivalents at the end of financial period	41,113	31,468

LBS BINA GROUP BERHAD (518482-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
- For the financial period ended 31 March 2013 (cont'd)

	Current Period Ended 31.03.2013 RM'000	Preceding Period Ended 31.03.2012 RM'000
Cash and cash equivalents comprise:-		
Continuing operations		
Deposits with licensed banks	28,473	33,674
Cash held under Housing Development Accounts	27,090	21,437
Cash and bank balances	16,905	53,616
Bank overdrafts	(21,083)	(39,656)
	<u>51,385</u>	<u>69,071</u>
Less : Fixed deposits pledged with licensed banks	(28,473)	(33,674)
Cash and bank balances pledged	(2,489)	(3,929)
	<u>20,423</u>	<u>31,468</u>
Discontinued operations		
Cash and bank balances	<u>20,690</u>	-
	<u>41,113</u>	<u>31,468</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 2012 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. 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 2012.

A2. Changes in accounting policies

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

During the financial year, the Group and the Company have adopted the following new Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and Amendments to FRSs and IC Interpretations which are effective and mandatory for the current financial year:-

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119 (2011)	Employee Benefits
FRS 127 (2011)	Separate Financial Statements
FRS 128 (2011)	Investments in Associates and Joint Ventures
FRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)
FRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRSs contained in the document entitled "Annual Improvements 2009 – 2011 Cycle"	

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A2. Changes in accounting policies (cont'd)

The Group and the Company have not early adopted the following FRSs, revised FRSs, IC Interpretations and Amendments to FRSs, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

		<u>Effective date for financial periods beginning on or after</u>
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10	Investment Entities	1 January 2014
FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

The above FRSs, revised FRSs, IC Interpretations and Amendments to FRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and the initial applications of these FRSs, Amendments to FRSs and IC Interpretations will have no significant impact on the financial statements of the Company.

New 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 Interpretation 15"), including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

On 30 June 2012, the MASB announced that the mandatory effective date for adoption of the new MFRS by the Transitioning Entities deferred from 1 January 2013 to 1 January 2014.

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting the Group's first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is currently assessing the implications and financial impact of transition to the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the period ended 31 March 2013 could be different if prepared under the MFRS Framework.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

A4. Seasonal or cyclical factors

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

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

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

A6. Material changes in estimates

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

A7. Debt and equity securities

There were no issuance, repurchases and repayments of debts and equity securities during the quarter under review.

A8. Dividends paid

There was no dividend paid during the quarter under review.

A9. Segment information

3 months ended 31 March 2013

	Property Development RM'000	Construction RM'000	Management, Investment & Others RM'000	Elimination RM'000	Total Continuing Operations RM'000	Discontinued Operations RM'000	Consolidated RM'000
REVENUE							
External revenue	106,025	-	2,178	-	108,203	8,423	116,626
Inter-segment	-	41,535	18,848	(60,383)	-	-	-
Total Revenue	106,025	41,535	21,026	(60,383)	108,203	8,423	116,626
RESULTS							
Segment results	18,939	(54)	60	-	18,945	2,974	21,919
Interest income	603	-	314	-	917	25	942
Finance costs	(2,336)	-	(1,388)	-	(3,724)	-	(3,724)
Share of results of associates	-	-	(2)	-	(2)	-	(2)
Profit / (loss) before taxation	17,206	(54)	(1,016)	-	16,136	2,999	19,135
Taxation	(6,142)	(24)	131	-	(6,035)	(18)	(6,053)
Profit/ (loss) for the financial period	11,064	(78)	(885)	-	10,101	2,981	13,082
Assets							
Additional to non-current assets	13,368	97	-	-	13,465	194	13,659
Segment assets	1,051,377	30,112	56,479	-	1,137,968	288,526	1,426,494
Other non-cash expenses							
Depreciation	595	3	13	-	611	-	611
Property, plant and equipment written off	4	-	-	-	4	-	4
Unrealised loss on foreign exchange	-	-	72	-	72	41	113
Impairment of goodwill on consolidation	2,500	-	-	-	2,500	-	2,500

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A9. Segment information (cont'd)

3 months ended 31 March 2013 (cont'd)

	Property Development RM'000	Construction RM'000	Management , Investment & Others RM'000	Elimination RM'000	Total Continuing Operation RM'000	Discontinued Operation RM'000	Consolidated RM'000
Other non-cash income							
Unrealised gain on foreign exchange	-	-	(99)	-	(99)	(47)	(146)
Gain on disposal of non-current assets classified as held for sale	-	(80)	-	-	(80)	-	(80)
Fair value adjustment on non-current liabilities	(390)	-	-	-	(390)	-	(390)

3 months ended 31 March 2012

REVENUE

External revenue	103,040	3,020	76	-	106,136	5,433	111,569
Inter-segment	-	45,213	10,765	(55,978)	-	-	-
Total Revenue	103,040	48,233	10,841	(55,978)	106,136	5,433	111,569

RESULTS

Segment results	19,231	30	(732)	-	18,529	(890)	17,639
Interest income	314	15	153	-	482	-	482
Finance costs	(2,447)	(33)	(1,963)	-	(4,443)	-	(4,443)
Share of results of associates	-	-	(13)	-	(13)	-	(13)
Profit / (loss) before taxation	17,098	12	(2,555)	-	14,555	(890)	13,665
Taxation	(5,101)	(179)	(43)	-	(5,323)	261	(5,062)
Profit/ (loss) for the financial period	11,997	(167)	(2,598)	-	9,232	(629)	8,603

Assets

Additional to non-current assets	3,736	448	-	-	4,184	1713	5,897
Segment assets	1,084,677	38,631	172,162	-	1,295,470	126,265	1,421,735

Other non-cash expenses

Depreciation	675	23	1	-	699	2,786	3,485
Property, plant and equipment written off	-	-	-	-	-	3	3
Bad debts written off	3,603	-	-	-	3,603	119	3,722
Investment property written off	-	365	-	-	365	-	365
Impairment on goodwill in subsidiary company	1,700	-	-	-	1,700	-	1,700
Loss on unrealised foreign exchange	-	-	17	-	17	-	17
Share-based payment	-	-	74	-	74	-	74

Other non-cash income

Gain on unrealised foreign exchange	-	-	-	-	-	(134)	(134)
Gain on disposal of property, plant and equipment	(1)	(28)	-	-	(29)	-	(29)
Reversal of impairment on receivables	(3,730)	-	-	-	(3,730)	-	(3,730)
Reversal of impairment on investment property	-	(365)	-	-	(365)	-	(365)
Waiver of debts	(97)	-	-	-	(97)	(300)	(397)

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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 28 January 2013, LBS Bina Holdings Sdn Bhd ("LBS") has acquired additional Twenty (20) ordinary shares of RM1.00 each in Dataran Enigma Sdn Bhd ("DESB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twenty (RM20.00) only. Consequently, DESB became a 50% associated company of LBS.
- (ii) On 18 March 2013, LBS has acquired additional Fifty-Two Thousand Five Hundred (52,500) ordinary shares of RM1.00 each representing 21% equity interest in Wirama Era Baru Sdn Bhd ("WEBSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Fifty-Two Thousand Five Hundred (RM52,500.00) only. Consequently, WEBSB became a 51% subsidiary of LBS.

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

A12. Material subsequent events

- (i) On 3 April 2013, LBS has acquired additional One (1) ordinary share of RM1.00 each in Dataran Enigma Sdn Bhd ("DESB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One (RM1.00) only. Consequently, DESB became a 51% subsidiary of LBS.
- (ii) On 12 April 2013, LBS has disposed of its Thirty Thousand (30,000) ordinary shares of RM1.00 each representing 30% equity interest in LBS Maju Sdn Bhd ("LMSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Thirty Thousand (RM30,000.00) only. Consequently, LBS's shareholding in LMSB has reduced from 100% to 70%.
- (iii) On 13 May 2013, Pelangi Homes Sdn Bhd ("PHSB"), a wholly-owned subsidiary of LBS has increased its paid up share capital from 2,500,100 to 2,700,100 ordinary shares of RM1.00 each. LBS has subscribed all its shareholding in PHSB by way of capitalisation.

Other than above, there were no material subsequent events as at 22 May 2013, 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 as at the date of this interim financial report are as follows:

	Amount RM'000
Approved and contracted for purchased of property, plant and equipment	<u>1,326</u>

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A14. Changes in contingent assets or contingent liabilities

	31.03.2013 RM'000	31.03.2012 RM'000
Bank guarantee issued for property development	<u>13,670</u>	<u>9,452</u>

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

A15. Related party transactions

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

Related Parties	Amount RM'000
Contractor fees	475
Sale of properties	2,066
Provision of services as advocates and solicitors	4
Rental expenses	39
Rendering of services	14
Rental income	2

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 a subsidiary company have financial interest;
- (ii) A firm or companies in which certain Directors of the Company or its subsidiaries have financial interest;
- (iii) A person who has financial interest in a subsidiary company; and
- (iv) Directors and key management personnel of the Company and their close family members.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of performance

Continuing operations

For the three months ended 31 March 2013, the Group recorded revenue and profit before tax ("PBT") of approximately RM108 million and RM16 million respectively. These represent 2% increase in revenue and 11% increase in PBT over the results achieved in the corresponding period in the year 2012.

The improved revenue and PBT for the current quarter were attributable to the progressive recognition of revenue and profit contribution from the following projects such as, D' Island Residence and The Lake Residence in Puchong, Cameron Golden Hills and Brinchang Square in Cameron Highlands, Min Garden in Batu Pahat, Topaz IV, Indigo Homes, Magenta Homes, Camelia Cottage, Pearl Villa, Royal Ivory, Royal Ivory 2, Royal Garden, BSP Skypark and I Hub Puchong in Bandar Saujana Putra.

Discontinued operations

For the three months ended 31 March 2013, the Group recorded profit after tax ("PAT") of approximately RM3 million as compared to the loss after tax ("LAT") of approximately RM0.6 million in the corresponding period in the year 2012. The improvement was mainly due to increase in golf membership sales and non-provision of depreciation and amortization in accordance with Financial Reporting Standard 5.

There was no further detailed analysis of performance for other segments, as the Group is mainly involved in property development.

B2. Material change in quarterly results compared with the immediate preceding quarter

Continuing operations

For the current quarter under review, the Group's revenue and PBT were approximately RM108 million and RM16 million respectively as compared to the revenue and PBT of approximately RM133 million and RM17 million respectively in the immediate preceding quarter. Despite 19% decrease in the revenue, PBT has dropped slightly only mainly due to lower operating expenses and finance cost.

Discontinued operations

For the current quarter under review, the Group's PAT was approximately RM3 million as compared to LAT of approximately RM5 million in the immediate preceding quarter. The improvement was mainly due to increase in golf membership sales, lower operating expenses and non-provision of depreciation and amortization in accordance with Financial Reporting Standard 5.

B3. Prospects for the current financial year

With the Group's 17 ongoing projects and unbilled sales of approximately RM671 million as at 30 April 2013, the Group is confident of achieving further improvement in its performance for the financial year ending 31 December 2013.

B4. Profit forecast or profit guarantee

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

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B5. Taxation

The breakdown of tax charges from continuing operations for the current quarter were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.03.2013 RM'000	Preceding year Quarter 31.03.2012 RM'000	Current year To date 31.03.2013 RM'000	Preceding year To date 31.03.2012 RM'000
Current year's provision	6,996	7,235	6,996	7,235
Deferred taxation	(961)	(1,912)	(961)	(1,912)
Total	6,035	5,323	6,035	5,323

The effective tax rate of the Group for the current quarter and financial period to date were higher than the statutory tax rate of 25% mainly due to losses of certain subsidiaries which cannot set off against taxable profits made by other subsidiaries, non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary differences.

B6. Status of corporate proposals announced but not completed

The following is the status of corporate proposal that has been announced by the Company but not completed as at 22 May 2013, the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :-

On 18 April 2012, the Company has entered into a Memorandum of Understanding ("MoU") for the proposed disposal of up to 100% but not less than 60% equity interest in Dragon Hill Corporation Limited ("Dragon Hill"), a wholly-owned subsidiary of Intellplace Holdings Limited ("IHL"), which in turn is a wholly-owned subsidiary of LBGB with Jiuzhou Technology Company Limited (now known as Jiuzhou Tourism Property Company Limited) ("Jiuzhuo Tourism Property"), a wholly-owned subsidiary of Jiuzhou Development Company Limited (now known as Zhuhai Holdings Investment Group Limited) ("Zhuhai Holdings") for an indicative price of not more than HK\$1.65 billion to be settled in the form and combination of cash, equity shares of Zhuhai Holdings, convertible securities and/or other means, the proportion of which shall be mutually agreed upon, which will be set out in the definitive agreement to be entered, upon satisfaction of the due diligence review undertaken by both parties and negotiation on the terms of the said transaction.

On 18 October 2012, IHL and Jiuzhou Tourism Property have entered into an Extension Agreement to the MoU to extend the Cut-off Date to 17 April 2013 (or such later date as the parties may agree in writing).

On 10 April 2013, RHB Investment Bank Berhad (formerly known as OSK Investment Bank Berhad) had, on behalf of the Board, announced that the Company and Dragon Hill entered into a Sale and Purchase Agreement ("SPA") with Zhuhai Holdings and Jiuzhou Tourism Property for the proposed disposal by Dragon Hill to Jiuzhou Tourism Property of the following:-

- i. Two (2) ordinary shares of HKD1.00 each in Lamdeal Consolidated Development Limited ("Lamdeal Development"), representing the entire issued and fully paid-up share capital of Lamdeal Development, for a total sale consideration of HKD1,559.50 million (equivalent to approximately RM621.62 million); and
- ii. Two (2) ordinary shares of HKD1.00 each in Lamdeal Golf and Country Limited ("Lamdeal Golf"), representing the entire issued and fully paid-up share capital of Lamdeal Golf, for a total sale consideration of HKD90.50 million (equivalent to approximately RM36.07 million). ("Proposal Disposal")

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

The Proposed Disposal is conditional upon the following approvals being obtained:-

- i. The shareholders of the Company at an extraordinary general meeting of the Company to be convened; and
- ii. Any other relevant authorities and/or approvals, if necessary.

Subject to the receipt of the above approvals and barring any unforeseen circumstances, the Proposal Disposal is expected to be completed by third quarter of 2013.

The total disposal consideration of HKD1,650.00 million shall be satisfied via a combination of cash amounting to HKD1,350.00 million and shares in Zhuhai Holdings, a company listed on the Main Board of Hong Kong Stock Exchange upon the terms and conditions as stipulated in the SPA.

B7. Borrowings and debts securities

Total Group borrowings as at 31 March 2013 were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Hire purchase payables	951	-	951
Bank overdrafts	21,083	-	21,083
Bank borrowings	92,308	-	92,308
Short term borrowings	114,342	-	114,342
Hire purchase payables	2,070	-	2,070
Bank borrowings	199,524	-	199,524
Islamic commercial papers / Islamic medium term notes	60,000	-	60,000
Long term borrowings	261,594	-	261,594
Total borrowings	375,936	-	375,936

Currency exposure profiles of borrowings were as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Ringgit Malaysia	366,568	-	366,568
United States Dollar	9,368	-	9,368
	375,936	-	375,936

B8. Changes in material litigation

There was no material litigation as at 22 May 2013, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B9. Dividend proposed

The Board has recommended a first and final dividend of 2.5 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 December 2012. The proposed dividend is subject to the shareholders' approval at the forthcoming Thirteenth Annual General Meeting. The entitlement date to the final dividends shall be determined by the Board at a subsequent stage.

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B10. Earnings per share (“EPS”)

Basic EPS

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

	Current year period 31.03.2013	Preceding year period 31.03.2012
Profit attributable to Owners of the Parent (RM'000)		
- from continuing operations	10,912	6,616
- from discontinued operations	1,792	(329)
	<u>12,704</u>	<u>6,287</u>
Number of ordinary shares in issue ('000)	386,553	386,553
Less: weighted average treasury shares ('000)	(5,337)	(169)
Adjusted weighted average number of ordinary shares in issue ('000)	<u>381,216</u>	<u>386,384</u>
Basic EPS (sen)		
- from continuing operations	2.86	1.71
- from discontinued operations	0.47	(0.08)
	<u>3.33</u>	<u>1.63</u>

Note: The number of shares under ESOS and Warrants was not taken into account in the computation of diluted earnings per share because the effect on the basic earnings per share is antidilutive.

B11. Notes to the Statement of Comprehensive Income

	Current quarter 31.03.2013 RM'000	Current Period to date 31.03.2013 RM'000
Depreciation	(611)	(611)
Impairment of goodwill arising on consolidation	(2,500)	(2,500)
Property, plant and equipment written off	(4)	(4)
Gain on disposal of non-current assets classified as held for sale	80	80
Fair value adjustment on non-current liabilities	390	390
Unrealised gain on foreign exchange	33	33

LBS BINA GROUP BERHAD (518482-H)**B12. Realised and unrealised profits / (losses)**

	Unaudited 31.03.2013 RM '000	Audited 31.12.2012 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:-		
- Realised	247,980	232,001
- Unrealised	<u>(22,584)</u>	<u>(23,943)</u>
	225,396	208,058
Total share of accumulated losses from associated companies: -		
- Realised	(250)	(576)
- Unrealised	<u>-</u>	<u>-</u>
	225,146	207,482
Less : Consolidation adjustments	<u>(145,132)</u>	<u>(140,187)</u>
Total Group retained profits as per consolidated accounts	<u>80,014</u>	<u>67,295</u>

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

By Order of the Board,

Cynthia Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
29 May 2013