



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

Interim Financial Report

30 June 2011

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| | Page No. |
|---|-----------------|
| Condensed Consolidated Income Statement | 1 |
| Condensed Consolidated Statement of Comprehensive Income | 2 |
| Condensed Consolidated Statement of Financial Position | 3-4 |
| Condensed Consolidated Statement of Changes in Equity | 5 |
| Condensed Consolidated Statement of Cash Flows | 6 |
| Notes to the Interim Financial Report | 7-15 |

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

- For the period ended 30 June 2011

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|------|----------------------------|------------------------------|----------------------------|------------------------------|
| | | Current Year Quarter | Preceding Year Quarter | Current Year To date | Preceding Year To date |
| | | 30.06.2011 RM'000 | 30.06.2010 RM'000 | 30.06.2011 RM'000 | 30.06.2010 RM'000 |
| Revenue | | 100,585 | 70,814 | 177,046 | 110,716 |
| Operating profit | | 21,487 | 2,818 | 42,784 | 11,527 |
| Interest income | | 390 | 303 | 914 | 396 |
| Depreciation and amortisation | | (3,308) | (3,383) | (6,592) | (6,758) |
| Finance costs | | (3,836) | (4,096) | (7,428) | (8,029) |
| Share of results of associates | | (78) | (12) | (206) | - |
| Profit / (loss) before taxation | | 14,655 | (4,370) | 29,472 | (2,864) |
| Taxation | B5 | (3,631) | 5,049 | (7,396) | 4,141 |
| Profit for the period | | 11,024 | 679 | 22,076 | 1,277 |
| Attributable to: - | | | | | |
| Equity holders of the Company | | 10,113 | 1,117 | 19,571 | 1,170 |
| Non-controlling interest | | 911 | (438) | 2,505 | 107 |
| | | 11,024 | 679 | 22,076 | 1,277 |
| Earnings per share attributable to equity holders of the Company | | | | | |
| -Basic (sen) | B13 | 2.61 | 0.29 | 5.06 | 0.30 |
| -Diluted (sen) | B13 | 2.61 | 0.29 | 5.06 | 0.30 |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 period ended 30 June 2011

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|--|--|
| | Current Year Quarter 30.06.2011 RM'000 | Preceding Year Quarter 30.06.2010 RM'000 | Current Year Quarter 30.06.2011 RM'000 | Preceding Year Quarter 30.06.2010 RM'000 |
| Profit for the period | 11,024 | 679 | 22,076 | 1,277 |
| Other comprehensive income, net of tax: | | | | |
| Foreign currency translation difference | 3,094 | 320 | 1,066 | (11,167) |
| Total comprehensive income for the period | <u>14,118</u> | <u>999</u> | <u>23,142</u> | <u>(9,890)</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 11,885 | 1,320 | 19,519 | (7,292) |
| Non-controlling interest | 2,233 | (321) | 3,623 | (2,598) |
| | <u>14,118</u> | <u>999</u> | <u>23,142</u> | <u>(9,890)</u> |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

| | Note | 30.06.2011 (Unaudited) RM'000 | 31.12.2010 (Audited) RM'000 |
|---|------|-------------------------------------|-----------------------------------|
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | A10 | 206,435 | 208,475 |
| Capital work-in progress | | 4,638 | 4,269 |
| Investment properties | | 4,984 | 5,200 |
| Land and property development costs | | 472,443 | 483,325 |
| Investment in associated companies | | 2,559 | 2,750 |
| Trade and other receivables | | 47,810 | 48,264 |
| Other investments | | 1,254 | 1,254 |
| Goodwill arising from consolidation | | 123,583 | 126,634 |
| | | 863,706 | 880,171 |
| Current Assets | | | |
| Inventories | | 19,970 | 20,728 |
| Properties held for sale | | 1,092 | 1,092 |
| Land and property development costs | | 126,592 | 104,314 |
| Trade and other receivables | | 265,849 | 212,010 |
| Tax recoverable | | 4,711 | 3,163 |
| Fixed deposits with licensed banks | | 15,325 | 4,049 |
| Cash held under Housing Development Accounts | | 14,005 | 17,595 |
| Cash and bank balances | | 43,200 | 41,307 |
| | | 490,744 | 404,258 |
| TOTAL ASSETS | | 1,354,450 | 1,284,429 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | | 386,553 | 386,553 |
| Reserves | | 13,345 | 38,824 |
| | | 399,898 | 425,377 |
| Non-controlling Interest | | 82,309 | 106,935 |
| Total Equity | | 482,207 | 532,312 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

| | Note | 30.06.2011 (Unaudited) RM'000 | 31.12.2010 (Audited) RM'000 |
|--|------|-------------------------------------|-----------------------------------|
| Non-Current Liabilities | | | |
| Trade and other payables | | 104,737 | 48,572 |
| Hire purchase payables | B9 | 2,205 | 2,220 |
| Bank borrowings | B9 | 185,442 | 179,071 |
| Other long term borrowings | B9 | 95,000 | 75,000 |
| Deferred tax liabilities | | 77,679 | 78,566 |
| | | 465,063 | 383,429 |
| Current Liabilities | | | |
| Trade and other payables | | 293,192 | 249,294 |
| Hire purchase payables | B9 | 836 | 888 |
| Bank overdrafts | B9 | 48,536 | 50,827 |
| Bank borrowings | B9 | 29,667 | 34,409 |
| Tax payable | | 34,949 | 33,270 |
| | | 407,180 | 368,688 |
| Total Liabilities | | 872,243 | 752,117 |
| TOTAL EQUITY AND LIABILITIES | | 1,354,450 | 1,284,429 |
| Net Assets per share attributable to equity holders of the Company (RM) | | 1.03 | 1.10 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 period ended 30 June 2011

| | Attributable to equity holders of the Company | | | | | | | | | Non-controlling Interest RM'000 | Total Equity RM'000 |
|---|---|-------------------------|------------------------|------------------------------------|-------------------------------|---------------------------|-------------------------|----------------------------|---------------------|------------------------------------|------------------------|
| | Share Capital 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 1.1.2011 | 386,553 | 16,945 | 338 | 3,928 | 490 | 14,952 | - | 2,171 | 425,377 | 106,935 | 532,312 |
| Total comprehensive income for the financial period | - | - | - | (52) | - | - | - | 19,571 | 19,519 | 3,623 | 23,142 |
| Dividend paid | - | - | - | - | - | - | - | - | - | (1,078) | (1,078) |
| Realisation of subsidiary's reserve | - | - | - | - | (490) | - | - | 490 | - | - | - |
| Acquisition of additional investment from non-controlling interest | - | - | - | - | - | - | - | - | - | (27,171) | (27,171) |
| Premium paid for acquisition of additional interest in subsidiaries | - | - | - | - | - | - | (45,075) | - | (45,075) | - | (45,075) |
| Share-based payment under ESOS | - | - | 77 | - | - | - | - | - | 77 | - | 77 |
| Balance as at 30.06.2011 | 386,553 | 16,945 | 415 | 3,876 | - | 14,952 | (45,075) | 22,232 | 399,898 | 82,309 | 482,207 |

| | Attributable to equity holders of the Company | | | | | | | | | Non-controlling Interest RM'000 | Total Equity RM'000 |
|---|---|-------------------------|------------------------|------------------------------------|-------------------------------|---------------------------|------------------------------|------------------------------|---------------------|------------------------------------|------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | ESOS Reserve RM'000 | Foreign Exchange Reserve RM'000 | Revaluation Reserve RM'000 | Warrant Reserve RM'000 | Fair Value Reserve RM'000 | Accumulated Losses RM'000 | Sub-total RM'000 | | |
| Balance as at 1.1.2010 | 386,553 | 16,945 | 317 | 19,218 | 772 | 14,952 | - | (14,623) | 424,134 | 102,286 | 526,420 |
| Effect of first adoption of FRS 139 | - | - | - | - | - | - | (9,506) | - | (9,506) | 1,761 | (7,745) |
| Balance as at 1.1.2010 (restated) | 386,553 | 16,945 | 317 | 19,218 | 772 | 14,952 | (9,506) | (14,623) | 414,628 | 104,047 | 518,675 |
| Total comprehensive income for the financial period | - | - | - | (8,462) | - | - | - | 1,170 | (7,292) | (2,598) | (9,890) |
| Share-based payment under ESOS | - | - | 70 | - | - | - | - | - | 70 | - | 70 |
| Balance as at 30.06.2010 | 386,553 | 16,945 | 387 | 10,756 | 772 | 14,952 | (9,506) | (13,453) | 407,406 | 101,449 | 508,855 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 period ended 30 June 2011

| | Period Ended 30.06.2011 RM'000 | Period Ended 30.06.2010 RM'000 |
|---|---|---|
| Net cash (used in) / generated from operating activities | (5,099) | 13,696 |
| Net cash used in investing activities | (2,963) | (3,269) |
| Net cash generated from / (used in) financing activities | 23,127 | (9,408) |
| Net increase in cash and cash equivalents | 15,065 | 1,019 |
| Cash and cash equivalents at the beginning of financial period | (22,926) | (21,180) |
| Effect of exchange rate changes | (607) | (1,625) |
| Cash and cash equivalents at the end of financial period | (8,468) | (21,786) |
| Cash and cash equivalents comprise: - | | |
| Deposits with licensed banks | 15,325 | 35,938 |
| Cash held under Housing Development Accounts | 14,005 | 14,882 |
| Cash and bank balances | 43,200 | 5,537 |
| Bank overdrafts | (48,536) | (72,187) |
| | 23,994 | (15,830) |
| Less : Deposits pledged | (14,984) | (5,952) |
| Deposits in sinking fund / cash collateral accounts | (17,478) | (4) |
| | (8,468) | (21,786) |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 year ended 31 December 2010. 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 year ended 31 December 2010.

The interim financial information for the six months ended 30 June 2011 has been reviewed by the Company’s auditors in accordance with International Standards on Review Engagements 2410 – Review of Interim Financial Information performed by the Independent Auditor of the Company.

A2. Changes in accounting policies

Basis of accounting

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

During the financial period, the Group have adopted the following applicable new Financial Reporting Standards (“FRSs”) , revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs, issued by the Malaysian Accounting Standards Board that are mandatory for the current financial period:-

| | |
|--|---|
| Amendments to FRS 132 | Financial Instruments: Presentation |
| FRS 1 | First-time Adoption of Financial Reporting Standards |
| FRS 3 | Business Combinations |
| FRS 127 | Consolidated and Separate Financial Statements |
| Amendments to FRS 2 | Share-based Payment |
| Amendments to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 138 | Intangible Assets |
| IC Interpretation 12 | Service Concession Arrangements |
| IC Interpretation 16 | Hedges of a Net Investment in a Foreign Operation |
| IC Interpretation 17 | Distributions of Non-cash Assets to Owners |
| Amendments to IC Interpretation 9 | Reassessment of Embedded Derivatives |
| Amendments to FRS 1 | Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters |
| Amendments to FRS 1 | Additional Exemptions for First-time Adopters |
| Amendments to FRS 2 | Group Cash-settled Share-based Payment Transactions |
| Amendments to FRS 7 | Improving Disclosures about Financial Instruments |
| IC Interpretation 4 | Determining whether an Arrangement contains a Lease |
| IC Interpretation 18 | Transfers of Assets from Customers |
| Amendments to FRSs contained in the documents entitled “Improvements to FRSs (2010)” | |

The revised FRSs are either not applicable to the Group or the adoption did not result in significant changes in accounting policies of the Group and did not have significant impact on the financial position and performance of the Group.

LBS BINA GROUP BERHAD (518482-H)

A2. Changes in accounting policies (cont'd)

The Group have not adopted earlier the following new FRSs, revised FRSs, amendments to FRSs and IC Interpretations, 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> |
|---------------------------------------|--|---|
| IC Interpretation 19 | Extinguishing Financial Liabilities with Equity Instruments | 1 July 2011 |
| Amendments to IC Interpretation 14 | Prepayment of a Minimum Funding Requirement | 1 July 2011 |
| IC Interpretation 15 | Agreements for Construction of Real Estate | 1 January 2012 |
| FRS 124 | Related Party Disclosures | 1 January 2012 |

The initial applications of the above applicable new FRSs, revised FRSs, amendments to FRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group, except as discussed below:-

(i) **FRS 127: Consolidated and separate financial statements**

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

A4. Seasonal or cyclical factors

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

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

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

A6. Changes in estimates

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

LBS BINA GROUP BERHAD (518482-H)

A7. Debt and equity securities

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

A8. Dividend paid

There was no dividend paid during the quarter under review.

A9. Segmental reporting

The segmental information of the Group was as follows: -

6 months ended 30 June 2011

| | Property Development RM'000 | Construction RM'000 | Golf Course & Club House RM'000 | Management, Investment & Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|---|-----------------------------------|------------------------|--|---|-----------------------|------------------------|
| REVENUE | | | | | | |
| External revenue | 160,110 | 5,324 | 11,489 | 123 | - | 177,046 |
| Inter-segment | - | 48,596 | - | 26,217 | (74,813) | - |
| Total Revenue | 160,110 | 53,920 | 11,489 | 26,340 | (74,813) | 177,046 |
| RESULTS | | | | | | |
| Segment result | 45,813 | (3,348) | (1,389) | (4,884) | - | 36,192 |
| Interest income | 634 | 12 | - | 268 | - | 914 |
| Finance cost | (2,503) | (491) | - | (4,434) | - | (7,428) |
| Share of results of associates | - | - | - | (206) | - | (206) |
| Profit before taxation | 43,944 | (3,827) | (1,389) | (9,256) | - | 29,472 |
| Taxation | (7,001) | (892) | 497 | - | - | (7,396) |
| Profit for the period | 36,943 | (4,719) | (892) | (9,256) | - | 22,076 |
| Assets | | | | | | |
| Additional to non-current assets | 21,111 | 3,514 | 652 | 458 | - | 25,735 |
| Segment assets | 1,068,862 | 21,715 | 217,592 | 46,281 | - | 1,354,450 |
| Other non-cash expenses | | | | | | |
| Depreciation / amortisation | 797 | 410 | 5,384 | - | - | 6,591 |
| Loss on unrealised foreign exchange | - | - | - | 376 | - | 376 |
| Impairment of other receivables | - | - | - | 4 | - | 4 |
| Loss on disposal of property, plant and equipment | 8 | - | - | - | - | 8 |
| Impairment on goodwill in subsidiary companies | 3,008 | - | - | - | - | 3,008 |
| Share based payment | - | - | - | 77 | - | 77 |
| Other non-cash income | | | | | | |
| Gain on unrealised foreign exchange | (65) | - | - | - | - | (65) |
| Gain on disposal of investment property | - | - | - | (5) | - | (5) |
| Gain on disposal of property, plant and equipment | (63) | - | - | - | - | (63) |
| Impairment of other receivables written back | (5) | - | - | - | - | (5) |
| Gain on unrealised foreign Exchange | - | - | - | (518) | - | (518) |
| Gain on disposal of associate | - | - | - | (150) | - | (150) |
| Gain on disposal of subsidiaries | - | - | - | (11) | - | (11) |
| Waiver of advances from a related company | - | - | - | (10) | - | (10) |

LBS BINA GROUP BERHAD (518482-H)

A9. Segmental reporting (cont'd)

6 months ended 30 June 2010

| | Property Development RM'000 | Construction RM'000 | Golf Course & Club House RM'000 | Management, Investment & Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--|-----------------------------------|------------------------|--|---|-----------------------|------------------------|
| REVENUE | | | | | | |
| External revenue | 93,859 | 4,815 | 11,882 | 160 | - | 110,716 |
| Inter-segment | - | 46,717 | - | 14,774 | (61,491) | - |
| Total Revenue | 93,859 | 51,532 | 11,882 | 14,934 | (61,491) | 110,716 |
| RESULTS | | | | | | |
| Segment result | 47,259 | (30,205) | (227) | (12,058) | - | 4,769 |
| Interest income | 387 | - | - | 9 | - | 396 |
| Finance cost | (2,436) | (1,417) | - | (4,176) | - | (8,029) |
| Share of results of associates | - | - | - | - | - | - |
| Profit before taxation | 45,210 | (31,622) | (227) | (16,225) | - | (2,864) |
| Taxation | 5,193 | (1,450) | 398 | - | - | 4,141 |
| Profit for the period | 50,403 | (33,072) | 171 | (16,225) | - | 1,277 |
| Assets | | | | | | |
| Additional to non-current assets | 20,774 | 986 | 476 | 478 | - | 22,714 |
| Segment assets | 550,024 | 7,775 | 127,069 | 201,891 | - | 886,759 |
| Other non-cash expenses | | | | | | |
| Depreciation / Amortisation | 836 | 285 | 5,633 | 3 | - | 6,757 |
| Loss on disposal of property, plant and equipment | 5 | - | - | - | - | 5 |
| Share based payment | - | - | - | 69 | - | 69 |
| Other non-cash income | | | | | | |
| Impairment of receivables written back | (108) | - | - | - | - | (108) |
| Impairment of provision loss written back | (913) | - | - | - | - | (913) |

A10. Valuation of property, plant and equipment

There was no fair value adjustment to the property, plant and equipment since the last annual financial statements.

A11. Changes in the composition of the Group

- (i) On 19 April 2011, LBS Bina Holdings Sdn Bhd ("LBS") has acquired Ninety Five Thousand (95,000) ordinary shares of RM1.00 each representing 19% equity interest in Jatidiri Gigih Sdn Bhd ("JGSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Thirteen Million One Hundred and Ten Thousand (RM13,110,000) only. Consequently, LBS's shareholding in JGSB has increased from 81% to 100%. JGSB became a wholly-owned subsidiary of LBS.
- (ii) On 19 April 2011, LBS has disposed of all its shareholding of Twenty Thousand (20,000) ordinary shares of RM1.00 each representing 40% equity interest in Pristine Sunrise (M) Sdn Bhd ("PSSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twenty Thousand (RM20,000) only. Consequently, LBS's shareholding in PSSB has reduced from 70% to 30% and PSSB ceased as subsidiary of LBS.

LBS BINA GROUP BERHAD (518482-H)

A11. Changes in the composition of the Group (cont'd)

- (iii) On 19 April 2011, Kalimah Jaya Sdn Bhd ("KJSB"), a wholly-owned subsidiary of LBS has acquired One Hundred and Fifty Thousand (150,000) ordinary shares of RM1.00 each representing 30% equity interest in Utuh Sejagat Sdn Bhd ("USSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twelve Million Six Hundred Thousand (RM12,600,000) only. Consequently, KJSB's shareholding in USSB has increased from 51% to 81%.
- (iv) On 10 June 2011, LBS has acquired Eighty Seven Thousand Five Hundred (87,500) ordinary shares of RM1.00 each representing 35% equity interest in Astana Modal (M) Sdn Bhd ("AMSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twenty Five Million Eight Hundred Twenty Five Thousand Nine Hundred and Sixty Two (RM25,825,962) only. Consequently, LBS's shareholding in AMSB has increased from 65% to 100%. AMSB became a wholly-owned subsidiary of LBS.
- (v) On 20 June 2011, LBS has disposed of all its shareholding of 150,000 ordinary shares of RM1.00 each representing 30% equity interest in Seloka Kualiti Sdn Bhd ("SKSB"), a company incorporated in Malaysia for a total cash consideration of RM150,000.

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 15 July 2011, LBS has acquired Two Hundred Forty Five Thousand (245,000) ordinary shares of RM1.00 each representing 49% equity interest in Azam Perspektif Sdn Bhd ("APSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Five Million One Hundred Thousand (RM5,100,000) only. Consequently, LBS's shareholding in APSB has increased from 51% to 100%. APSB became a wholly-owned subsidiary of LBS.

Other than above, there were no material events subsequent to the end of the current quarter.

A13. Capital commitments

| | 30.06.2011 RM'000 | 30.06.2010 RM'000 |
|--|----------------------|----------------------|
| Contractual commitments for property development | - | 54,317 |

A14. Changes in contingent assets or contingent liabilities

| | 30.06.2011 RM'000 | 30.06.2010 RM'000 |
|--|----------------------|----------------------|
| Bank guarantee issued for property development | 8,485 | 8,091 |

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

LBS BINA GROUP BERHAD (518482-H)

A15. Significant related party transactions

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

| Related Parties | Amount RM'000 |
|---|--------------------------|
| Contractor fees paid/ payable | 12,650 |
| Sales of properties | 35,527 |
| Provision of services as advocates and solicitors | 229 |
| Rental paid/payable | 47 |
| Rendering of services | 277 |
| Rental income received/receivable | 4 |

These transactions have been entered into in the ordinary course of business based on normal commercial terms and arms length basis.

The nature and relationship between the Group and the related parties are as follows:

- (i) Companies in which the brothers of a Director of the Company have financial interest;
- (ii) Persons connected to certain Directors of the Company;
- (iii) Firms in which a son of a Director is one of the partners of the firm and a Director of a subsidiary company are the partner of the firm;
- (iv) A Company in which one of the Director of the Company have financial interest; and
- (v) Director and key management personnel having authority for planning, directing and controlling the activities of the Company and their close family members.

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

B1. Review of group performance

For the first half year of 2011, the Group achieved strong revenue and profit before tax (PBT) of approximately RM177 million and RM29 million respectively. This represents 60% improvement for revenue and 1129% improvement for PBT over the corresponding period in the previous year.

For the current quarter under review, the Group recorded revenue and PBT of approximately RM101 million and RM15 million respectively. This represents an improvement of 42% and 435% in revenue and PBT respectively over the same quarter last year.

The Group's revenue and profit were principally derived from its ongoing projects such as, *D'Island Residence* in Puchong, *Iris Garden II*, *Topaz III*, *Ivory Residences I & II*, *Magenta Homes*, *Indigo Homes*, *Camelia Cottage*, *Lavender II* in Bandar Saujana Putra (BSP) as well as other commercial and industrial projects such as *Taman Perindustrian Tasik Perdana* in Puchong and *Saujana Business Park* in BSP.

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

The Group's current quarter PBT is RM14.7 million as compared to RM14.8 million in the immediate preceding quarter.

B3. Prospects for the current financial year

The Board is pleased to report that as at August 24, 2011, the Group has already achieved sales of approximately RM423 million, which was the amount of its total sales for year 2010.

With the Group's 20 ongoing projects and unbilled sales of approximately RM591 million as 31 July 2011, the Group is confident of achieving further improvement in its performance for the financial year ending 31 December 2011.

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

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------|---|---|---|---|
| | Current year Quarter 30.06.2011 RM'000 | Preceding year Quarter 30.06.2010 RM'000 | Current year To date 30.06.2011 RM'000 | Preceding year To date 30.06.2010 RM'000 |
| Current year's provision | 4,504 | 2,713 | 8,556 | 3,624 |
| Over provision | (226) | (6,487) | (226) | (6,487) |
| Deferred taxation | (647) | (1,275) | (934) | (1,278) |
| Total | 3,631 | (5,049) | 7,396 | (4,141) |

The effective tax rate of the Group for the current quarter and financial period to date is approximate to the statutory tax rate.

LBS BINA GROUP BERHAD (518482-H)

B6. Sale of unquoted investments and properties

There were no material profits/ (losses) on sale of unquoted investments and/or properties in the current quarter and financial year-to-date.

B7. Quoted investments

There were no purchases or disposals of quoted investments during the current quarter and financial year-to-date.

B8. Status of corporate proposals announced but not completed

There was no corporate proposal announced by the Company but has not been completed as at 18 August 2011, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B9. Borrowings and debts securities

Total group borrowings as at 30 June 2011 were as follows: -

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|--|---------------------------|-----------------------------|-------------------------|
| Bank overdrafts | 48,536 | - | 48,536 |
| Short term borrowings | 30,503 | - | 30,503 |
| Long term borrowings | 187,647 | - | 187,647 |
| Islamic commercial papers / Islamic medium term notes | 95,000 | - | 95,000 |
| | <u>361,686</u> | <u>-</u> | <u>361,686</u> |

Currency exposure profile of borrowings were as follows: -

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|----------------------|---------------------------|-----------------------------|-------------------------|
| Ringgit Malaysia | 341,996 | - | 341,996 |
| United States Dollar | 19,690 | - | 19,690 |
| | <u>361,686</u> | <u>-</u> | <u>361,686</u> |

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 18 August 2011, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B11. Changes in material litigation

As at 18 August 2011, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report, there is no material litigation.

LBS BINA GROUP BERHAD (518482-H)

B12. Dividend proposed

No dividend has been proposed in the current quarter under review.

B13. Earnings per share (“EPS”)

Basic EPS

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

| | Cumulative Period 30.06.2011 RM'000 | Cumulative Period 30.06.2010 RM'000 |
|--|--|--|
| Profit attributable to equity holders of the Company | 19,571 | 1,170 |
| Weighted average number of ordinary shares in issue | 386,553 | 386,553 |
| Basic EPS (sen) | 5.06 | 0.30 |

Note: Computation of diluted EPS is not applicable as there are no outstanding shares to be issued.

B14. Realised and unrealised profits/(losses)

| | Unaudited 30.06.2011 RM '000 | Audited 31.12.2010 RM '000 |
|--|---|---|
| Total retained profits of the Company and its subsidiaries:- | | |
| - Realised | 137,254 | 114,539 |
| - Unrealised | (9,340) | (11,313) |
| | <u>127,914</u> | <u>103,226</u> |
| Total share of accumulated losses from associated companies | | |
| - Realised | (588) | (379) |
| - Unrealised | - | - |
| | <u>127,326</u> | <u>102,847</u> |
| Less : Consolidation adjustments | (105,094) | (100,676) |
| Total Group retained profits as per consolidated accounts | <u>22,232</u> | <u>2,171</u> |

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issue by the Bursa Malaysia Securities Berhad 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
25 August 2011