



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

Interim Financial Report

30 June 2016

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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 2016**

| | Note | Individual Quarter | | Cumulative Period | |
|--|------|---|---|---|---|
| | | Current Year Quarter 30.06.2016 RM'000 | Preceding Year Quarter 30.06.2015 RM'000 | Current Year To date 30.06.2016 RM'000 | Preceding Year To date 30.06.2015 RM'000 |
| Revenue | | 225,612 | 223,022 | 426,084 | 353,865 |
| Cost of sales | | (159,843) | (151,932) | (292,508) | (239,380) |
| Gross profit | | 65,769 | 71,090 | 133,576 | 114,485 |
| Interest Income | | 1,714 | 944 | 3,528 | 2,450 |
| Other income | | 6,547 | 3,419 | 10,212 | 7,353 |
| Operating expenses | | (38,047) | (41,868) | (79,878) | (66,625) |
| Finance costs | | (5,617) | (5,534) | (12,329) | (10,625) |
| Share of profit in associated companies | | 48 | 140 | 302 | 173 |
| Profit before taxation | | 30,414 | 28,191 | 55,411 | 47,211 |
| Taxation | B5 | (10,720) | (8,618) | (19,694) | (16,941) |
| Net profit for the financial period | | 19,694 | 19,573 | 35,717 | 30,270 |
| Net profit for the financial period attributable to: - | | | | | |
| Owners of the Parent | | 20,154 | 21,741 | 37,015 | 33,309 |
| Non-controlling interests | | (460) | (2,168) | (1,298) | (3,039) |
| | | 19,694 | 19,573 | 35,717 | 30,270 |
| Earnings per share attributable to owners of the Parent:- | | | | | |
| Basic (sen) | B11 | 3.63 | 4.08 | 6.66 | 6.24 |
| Diluted (sen) | B11 | 3.41 | 3.95 | 6.26 | 6.05 |

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 2016 (cont'd)**

| | Individual Quarter | | Cumulative Period | |
|--|--|--|--|--|
| | Current Year Quarter 30.06.2016 RM'000 | Preceding Year Quarter 30.06.2015 RM'000 | Current Year To date 30.06.2016 RM'000 | Preceding Year To date 30.06.2015 RM'000 |
| Net profit for the financial period | 19,694 | 19,573 | 35,717 | 30,270 |
| Other comprehensive income, net of tax: | | | | |
| Exchange translation differences for foreign operations | 4,153 | 6,986 | (17,137) | 29,145 |
| Gain on revaluation of available-for-sale financial assets | - | 22,039 | - | 3,358 |
| Reclassification adjustment for disposal of available-for-sale financial assets | - | 1,902 | - | 1,848 |
| Total comprehensive income for the financial period | <u>23,847</u> | <u>50,500</u> | <u>18,580</u> | <u>64,621</u> |
| Total other comprehensive (loss) / income for the financial period attributable to: - | | | | |
| Owners of the Parent | 25,290 | 53,192 | 18,134 | 69,233 |
| Non-controlling interests | (1,443) | (2,692) | 446 | (4,612) |
| | <u>23,847</u> | <u>50,500</u> | <u>18,580</u> | <u>64,621</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 2015 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 2016

| | Note | 30.06.2016 (Unaudited) RM'000 | 31.12.2015 (Audited) RM'000 |
|---|------|-------------------------------------|-----------------------------------|
| <u>ASSETS</u> | | | |
| Non-current Assets | | | |
| Property, plant and equipment | A10 | 224,508 | 240,942 |
| Capital work-in-progress | | 14,791 | 6,229 |
| Land and property development costs | | 554,156 | 515,026 |
| Investment properties | | 28,949 | 33,767 |
| Investment in associated companies | | 63,096 | 13,879 |
| Promissory note | | - | 100,499 |
| Other investments | | 89,157 | 94,984 |
| Goodwill on consolidation | | 83,789 | 84,217 |
| Deferred tax assets | | 18,202 | 13,183 |
| | | 1,076,648 | 1,102,726 |
| Current Assets | | | |
| Land and property development costs | | 543,679 | 437,735 |
| Inventories | | 68,872 | 76,537 |
| Amount owing by customers on contract | | 56 | 56 |
| Accrued billings in respect of land and property development costs | | 236,563 | 149,081 |
| Trade and other receivables | | 362,988 | 288,997 |
| Promissory note | | - | 105,524 |
| Other investments | | 38,124 | 38,488 |
| Tax recoverable | | 6,329 | 8,042 |
| Fixed deposits with licensed banks | | 33,928 | 33,471 |
| Cash held under Housing Development Accounts | | 51,124 | 87,735 |
| Cash and bank balances | | 89,374 | 106,386 |
| | | 1,431,037 | 1,332,052 |
| TOTAL ASSETS | | 2,507,685 | 2,434,778 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Equity attributable to owners of the Parent | | | |
| Share capital | | 579,344 | 551,437 |
| Reserves | | 491,110 | 488,858 |
| Treasury shares, at cost | | (80) | (8,634) |
| | | 1,070,374 | 1,031,661 |
| Non-controlling interests | | (20,632) | (19,288) |
| Total Equity | | 1,049,742 | 1,012,373 |

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As at 30 June 2016

| | | 30.06.2016 | 31.12.2015 |
|---|-------------|--------------------|-------------------|
| | | (Unaudited) | (Audited) |
| | Note | RM'000 | RM'000 |
| <u>LIABILITIES</u> | | | |
| Non-current Liabilities | | | |
| Bank borrowings | B8 | 256,929 | 287,939 |
| Trade and other payables | | 219,639 | 149,843 |
| Finance lease payables | B8 | 4,562 | 5,099 |
| Deferred tax liabilities | | 41,054 | 45,454 |
| | | <u>522,184</u> | <u>488,335</u> |
| Current Liabilities | | | |
| Amount owing to customers on contract | | 7,900 | 5,603 |
| Progress billings in respect of land and property development costs | | 19,866 | 45,209 |
| Trade and other payables | | 599,720 | 597,244 |
| Bank overdrafts | B8 | 78,943 | 43,666 |
| Finance lease payables | B8 | 1,977 | 1,701 |
| Bank borrowings | B8 | 205,098 | 229,766 |
| Tax payable | | 22,255 | 10,881 |
| | | <u>935,759</u> | <u>934,070</u> |
| Total Liabilities | | <u>1,457,943</u> | <u>1,422,405</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>2,507,685</u> | <u>2,434,778</u> |
| Net Assets per share attributable to owners of the Parent (RM) | | <u>1.85</u> | <u>1.91</u> |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 30 June 2016

| | ← 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: | | | | | | | | | | | |
| Changes in ownership interest in subsidiary company | - | - | - | - | - | - | (21,511) | - | (21,511) | 210 | (21,301) |
| Dividends 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 |

LBS BINA GROUP BERHAD (518482-H)

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 1.1.2015 | 538,298 | (14,679) | 44,587 | 9,945 | 47,987 | 5,172 | (101,526) | 439,278 | 969,062 | (7,207) | 961,855 |
| Amount recognised directly in equity: | | | | | | | | | | | |
| Net profit for the financial period | - | - | - | - | - | - | - | 33,309 | 33,309 | (3,039) | 30,270 |
| Foreign currency translation | - | - | - | - | 30,718 | - | - | - | 30,718 | (1,573) | 29,145 |
| Gain on revaluation of available-for-sale financial assets | - | - | - | - | - | - | 3,358 | - | 3,358 | - | 3,358 |
| Reclassification adjustment for disposal of available-for-sale financial assets | - | - | - | - | - | - | 1,848 | - | 1,848 | - | 1,848 |
| Total comprehensive income for the financial period | - | - | - | - | 30,718 | - | 5,206 | 33,309 | 69,233 | (4,612) | 64,621 |
| Transactions with owners: | | | | | | | | | | | |
| Changes in ownership interest in subsidiary companies | - | - | - | - | - | - | (15,852) | - | (15,852) | 45 | (15,807) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (1,500) | (1,500) |
| Issuance of ordinary shares: | | | | | | | | | | | |
| - Exercise of warrants | 3,681 | - | 368 | - | - | (368) | - | - | 3,681 | - | 3,681 |
| - Exercise of ESOS | 2,984 | - | 276 | - | - | - | - | - | 3,260 | - | 3,260 |
| Share-based payment | - | - | - | 1,982 | - | - | - | - | 1,982 | - | 1,982 |
| Own shares sold | - | 16,945 | 2,350 | - | - | - | - | - | 19,295 | - | 19,295 |
| Shares repurchased | - | (2,387) | - | - | - | - | - | - | (2,387) | - | (2,387) |
| Total transactions with owners | 6,665 | 14,558 | 2,994 | 1,982 | - | (368) | (15,852) | - | 9,979 | (1,455) | 8,524 |
| Balance as at 30.06.2015 | 544,963 | (121) | 47,581 | 11,927 | 78,705 | 4,804 | (112,172) | 472,587 | 1,048,274 | (13,274) | 1,035,000 |

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 2015 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 30 June 2016

| | Current Period Ended 30.06.2016 RM'000 | Preceding Period Ended 30.06.2015 RM'000 |
|---|---|---|
| Profit before taxation | 55,411 | 47,211 |
| Adjustments for :- | | |
| Non-cash items | 5,949 | 12,583 |
| Other operating items | 8,331 | 7,282 |
| Operating profit before changes in working capital | <u>69,691</u> | <u>67,076</u> |
| Changes in working capital : | | |
| Inventories | 7,662 | (132) |
| Land and property development costs | (140,761) | (52,667) |
| Amount owing by / to customers on contract | 2,297 | 3,944 |
| Accrued / progress billings in respect of land and property development costs | (112,826) | (79,878) |
| Receivables | (80,531) | 43,980 |
| Payables | 82,900 | (2,463) |
| Foreign exchange reserve | 9,880 | (241) |
| | <u>(231,379)</u> | <u>(87,457)</u> |
| Cash used in operations | <u>(161,688)</u> | <u>(20,381)</u> |
| Dividend received | 1,478 | 720 |
| Interest received | 2,038 | 2,450 |
| Interest paid | (16,846) | (12,868) |
| Tax paid | (13,665) | (13,903) |
| Tax refund | 1,211 | 370 |
| | <u>(25,784)</u> | <u>(23,231)</u> |
| Net cash used in operating activities | <u>(187,472)</u> | <u>(43,612)</u> |
| Cash Flows From Investing Activities | | |
| Additional investment in : | | |
| - Subsidiary and associated companies | (33,460) | (13,023) |
| - Financial assets at fair value through profit or loss | (44,000) | (13,000) |
| Repayment of prior year investment in subsidiary and associated companies | (3,735) | (8,886) |
| Purchase of : | | |
| - Investment properties | - | (100) |
| - Property, plant and equipment | (3,922) | (3,108) |
| Proceeds from disposal of : | | |
| - Financial assets at fair value through profit or loss | 42,924 | 43,709 |
| - Property, plant and equipment | 14 | 336 |
| - Investment properties | 1,936 | - |
| - Available-for-sale financial assets | - | 33,114 |
| Proceeds from Promissory note | 199,719 | - |
| Deposits and consideration paid for acquisition and joint venture of development lands | (12,453) | (85,195) |
| Acquisition of subsidiary companies, net of cash acquired | - | 1 |
| Capital work-in-progress incurred | (8,748) | - |
| Net cash generated from / (used in) investing activities | <u>138,275</u> | <u>(46,152)</u> |

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

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

| | Current Period Ended 30.06.2016 RM'000 | Preceding Period Ended 30.06.2015 RM'000 |
|---|---|---|
| Cash Flows From Financing Activities | | |
| Decrease in fixed deposit pledged | 2,611 | 28,559 |
| Decrease in cash and bank balances pledged | 882 | 1,493 |
| Drawdown of bank borrowings | 178,902 | 276,700 |
| Repayment of bank borrowings | (220,599) | (276,563) |
| Dividend paid | (32,719) | (31,803) |
| Dividend paid to non-controlling interests | (2,000) | (1,500) |
| Shares repurchased | (16) | (2,387) |
| Proceeds from : | | |
| - Exercise of warrants | 31,357 | 3,681 |
| - Exercise of ESOS | 518 | 3,260 |
| - Own shares sold | 8,836 | 19,295 |
| Repayment of : | | |
| - Finance lease payables | (756) | (571) |
| - Islamic Securities | - | (10,000) |
| Net cash (used in) / generated from financing activities | <u>(32,984)</u> | <u>10,164</u> |
| Net decrease in cash and cash equivalents | (82,181) | (79,600) |
| Effects of exchange rate changes | (2,770) | 11,606 |
| Cash and cash equivalents at the beginning of the financial period | 154,360 | 267,789 |
| Cash and cash equivalents at the end of the financial period | <u>69,409</u> | <u>199,795</u> |
| Cash and cash equivalents at the end of the financial period comprise: | | |
| Fixed deposits with licensed banks | 33,928 | 38,180 |
| Cash held under Housing Development Accounts | 51,124 | 93,610 |
| Cash and bank balances | 89,374 | 100,105 |
| Bank overdrafts | (78,943) | (10,766) |
| | <u>95,483</u> | <u>221,129</u> |
| Less : Fixed deposits pledged with licensed banks | (17,842) | (14,111) |
| Cash and bank balances pledged | (8,232) | (7,223) |
| | <u>69,409</u> | <u>199,795</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 2015 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 2015. 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 2015.

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, 1965 in Malaysia.

Adoption of new and amended standards

During the financial period, the Group has adopted the following FRS and Amendments to FRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the current financial period:-

| | |
|---|--|
| FRS 14 | Regulatory Deferral Accounts |
| Amendments to FRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| Amendments to FRS 116 and FRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| Amendments to FRS 127 | Equity Method in Separate Financial Statements |
| Amendments to FRS 101 | Disclosure Initiative |
| Amendments to FRS 10, FRS 12 and FRS 128 | Investment Entities: Applying to Consolidation Exception |
| Annual Improvements to FRSs 2012 – 2014 Cycle | |

The adoption of above FRS and amendments to FRSs did 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 FRS 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> |
|----------------------------------|---|---|
| Amendments to FRS 107 | Disclosure Initiative | 1 January 2017 |
| Amendments to FRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |
| FRS 9 | Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |
| Amendments to FRS 10 and FRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced |

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

A2. Changes in accounting policies (cont'd)

The initial application of the abovementioned FRSs are not expected to have any significant impacts 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 not recycling. 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.

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 2016 could be different if prepared under the MFRS Framework.

LBS BINA GROUP BERHAD (518482-H)

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 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.

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) Issuance of shares pursuant to the Company's Employees' Share Option Scheme ("ESOS")
The Company has issued and allotted 477,800 ordinary shares of RM1.00 each for cash at subscription price ranges from RM1.00 to RM1.42 per ordinary share.
- (ii) Issuance of shares pursuant to the Conversion of Warrants A
A total of 11,714,946 Warrants A were converted into ordinary shares of RM1.00 each at an exercise price of RM1.00 per Warrant A which have resulted in 11,714,946 ordinary shares of RM1.00 each being issued.
- (iii) Issuance of shares pursuant to the Conversion of Warrants B
A total of 15,714,625 Warrants B were converted into ordinary shares of RM1.00 each at an exercise price of RM1.25 per Warrant B which have resulted in 15,714,625 ordinary shares of RM1.00 each being issued.
- (iv) Share repurchased by the Company
The Company resold 6,071,800 of its treasury shares in the open market for a net consideration of RM8,835,543. Subsequently, the Company repurchased 10,000 of its issued shares from the open market for a total consideration of RM15,922 and retained the shares purchased as treasury shares.

A8. Dividend paid

There was no dividend paid during the quarter under review.

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information

Period ended 30 June 2016

| | Property Development | Construction | Management, Investment & Others | Motor Racing Circuit | Consolidated |
|---|-------------------------|--------------|---------------------------------------|-------------------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | | | | |
| Sales | 363,689 | 186,726 | 145,537 | 11,150 | 707,102 |
| Less: Inter-segment sales | - | (157,944) | (123,074) | - | (281,018) |
| Total revenue | 363,689 | 28,782 | 22,463 | 11,150 | 426,084 |
| RESULTS | | | | | |
| Segment results | 50,363 | 15,056 | 3,932 | (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 | 14,835 | 959 | (6,090) | 55,411 |
| Taxation | (15,071) | (3,908) | (1,541) | 826 | (19,694) |
| Net profit / (loss) for the financial period | 30,636 | 10,927 | (582) | (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 | 121,894 | 203,216 | 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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A9. Segment information (cont'd)

Period ended 30 June 2015

| | Property Development RM'000 | Construction RM'000 | Management, Investment & Others RM'000 | Motor Racing Circuit RM'000 | Consolidated RM'000 |
|---|-----------------------------------|------------------------|---|-----------------------------------|------------------------|
| REVENUE | | | | | |
| Sales | 297,825 | 139,779 | 33,461 | 10,475 | 481,540 |
| Less: Inter-segment sales | - | (100,354) | (27,321) | - | (127,675) |
| Total revenue | 297,825 | 39,425 | 6,140 | 10,475 | 353,865 |
| RESULTS | | | | | |
| Segment results | 57,268 | 4,940 | (1,201) | (5,794) | 55,213 |
| Interest income | 2,014 | 3 | 381 | 52 | 2,450 |
| Finance costs | (4,332) | (699) | (5,022) | (572) | (10,625) |
| Share of profit / (loss) in associated companies | - | 187 | (14) | - | 173 |
| Profit / (loss) before taxation | 54,950 | 4,431 | (5,856) | (6,314) | 47,211 |
| Taxation | (15,200) | (1,314) | (1,214) | 787 | (16,941) |
| Net profit / (loss) for the financial period | 39,750 | 3,117 | (7,070) | (5,527) | 30,270 |
| Assets | | | | | |
| Additional investment in associated companies | 50 | - | 717 | - | 767 |
| Additions to non-current assets | 139,508 | 958 | 961 | 107 | 141,534 |
| Segment assets | 1,496,418 | 96,444 | 429,182 | 233,802 | 2,255,846 |
| Other non-cash expenses | | | | | |
| Allowance for impairment loss on: | | | | | |
| - Goodwill arising on consolidation | 1,849 | - | - | - | 1,849 |
| Depreciation of: | | | | | |
| - Investment properties | 123 | 219 | 2 | - | 344 |
| - Property, plant and equipment | 834 | 676 | 146 | 6,686 | 8,342 |
| Loss on disposal of property, plant and equipment | 263 | - | - | - | 263 |
| Property, plant and equipment written off | 3 | - | - | 7 | 10 |
| Share-based payment | - | - | 1,982 | - | 1,982 |
| Unrealised loss on foreign exchange | - | - | 746 | - | 746 |
| Other non-cash income | | | | | |
| Gain on disposal of: | | | | | |
| - Property, plant and equipment | (4) | (1) | - | - | (5) |
| - Financial assets at fair value through profit or loss | - | - | (98) | - | (98) |
| - Available-for-sale financial assets | - | - | (847) | - | (847) |
| Unrealised gain on foreign exchange | (1) | - | - | (1) | (2) |

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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 3 May 2016, LBS Bina Holdings Sdn. Bhd. ("LBS") had acquired One Hundred Forty Thousand (140,000) ordinary shares of RM1.00 each in Puncak Gama Sdn. Bhd. ("PGSB") for a total cash consideration of Ringgit Malaysia Ten Million Three Hundred Thousand (RM10,300,000) only. Consequently, PGSB became a 80% owned subsidiary company of LBS.
- (ii) On 13 May 2016, Pelangi Homes Sdn. Bhd. ("PHSB"), a subsidiary company of LBS had acquired One Hundred (100) ordinary shares of RM1.00 each in Restu Bidara Sdn. Bhd. ("RBSB") for a total cash consideration of Ringgit Malaysia One Hundred (RM100) only. Consequently, RBSB became a wholly owned subsidiary company of PHSB.
- (iii) On 17 May 2016, Prisma Craft Sdn. Bhd. ("PCSB"), an indirect subsidiary company of the Company had increased its paid up share capital from 2 to 750,000 ordinary shares of RM1.00 each. MITC Engineering Sdn. Bhd., the sole shareholder of PCSB, had subscribed for 749,998 ordinary shares of RM1.00 each in PCSB by way of cash.
- (iv) On 24 June 2016, LBS had acquired Two Hundred Thirty Thousand (230,000) ordinary shares of RM1.00 each in Seloka Sinaran Sdn. Bhd. ("SSSB") for a total cash consideration of Ringgit Malaysia Thirty Six Million One Hundred Thousand (RM36,100,000) only. Consequently, SSSB became a 46% associated company of LBS.
- (v) During the financial quarter under review, the Company has acquired Seventeen Million Two Hundred Thirty Two Thousand Six Hundred Ninety Six (17,232,696) ordinary shares of RM0.50 each in ML Global Berhad ("MGB") for a total cash consideration of Ringgit Malaysia Nine Million Six Hundred Sixty Seven Thousand One Hundred and Ninety Four (RM9,667,194) only. Consequently, the Company owned 51.18% in MGB.

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

A12. Material subsequent events

- (i) On 1 August 2016, LBS had acquired Six Hundred (600) ordinary shares of RM1.00 each in Nuevo Attraction & Destination Sdn. Bhd. ("NADSB") for a total cash consideration of Ringgit Malaysia Six Hundred (RM600) only. Consequently, NADSB became a 60% owned subsidiary of LBS.
- (ii) On 3 August 2016, LBS had acquired Twenty Five Thousand (25,000) ordinary shares of RM1.00 each in SSSB for a total cash consideration of Ringgit Malaysia Three Million Nine Hundred Thousand (RM3,900,000) only. Consequently, SSSB became a 51% subsidiary company of LBS.
- (iii) On 3 August 2016, LBS had subscribed Fifty One (51) ordinary shares of RM1.00 each in Kemudi Ehsan Sdn. Bhd. ("KESB") for a total cash consideration of Ringgit Malaysia Fifty One (RM51) only. Consequently, KESB became a 51% owned subsidiary company of LBS.

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A12. Material subsequent events (*cont'd*)

- (iv) On 19 August 2016, KESB, a 51% owned subsidiary company of LBS had increased its paid up share capital from 100 to 500,000 ordinary shares of RM1.00 each. LBS had subscribed for additional 254,949 ordinary shares of RM1.00 each in KESB by way of cash. KESB remained as a 51% owned subsidiary company of LBS.

There were no other material subsequent events as at 22 August 2016, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 30 June 2016 were as follows:

| | Amount RM'000 |
|---|--------------------------|
| Approved and contracted for property development: | |
| - Sale and Purchase Agreements | 134,920 |
| - Joint Venture Agreements | 259,907 |
| Property, plant and equipment | 979 |
| | <u>395,806</u> |

A14. Changes in contingent assets or contingent liabilities

| | 30.06.2016 RM'000 | 30.06.2015 RM'000 |
|------------------------------|------------------------------|------------------------------|
| Bank guarantees issued for : | | |
| - Property Development | 16,709 | 13,900 |
| - Construction Contract | 53 | 20 |
| - Others | 30 | 30 |
| | <u>16,792</u> | <u>13,950</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 | 3,620 |
| Rental income | 23 |
| Rendering of insurance services | 3 |
| Expenses | |
| Contractors' fees | 25,075 |
| Equity instrument | 57,400 |
| Legal fees | 139 |
| Rental expenses | 77 |
| Rendering of services | 71 |

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) Directors and key management personnel of the Company or its subsidiary companies and their close family members; and
- (vi) An associated company of the Company.

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

B1. Review of Group performance

For the current quarter under review, the Group recorded revenue and profit before tax ("PBT") of approximately RM226 million and RM30 million respectively. These represent 1% increase in revenue and 8% increase in PBT over the results recorded in the corresponding quarter in the year 2015.

For the six months ended 30 June 2016, the Group recorded revenue and PBT of approximately RM426 million and RM55 million respectively. These represent 20% increase in revenue and 17% increase in PBT over the results recorded in the corresponding period in the year 2015.

The improved revenue and PBT for the current quarter and financial period were mainly attributable to the projects at Bandar Saujana Putra, D' Island Residence, Cameron Golden Hills, Bandar Putera Indah, Sinaran Mahkota, Midhills and Alam Awana.

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

For the current quarter under review, the Group's revenue and PBT were approximately RM226 million and RM30 million respectively as compared to the revenue and PBT of approximately RM200 million and RM25 million respectively in the immediate preceding quarter.

The improved revenue and PBT were mainly attributable to higher progressive recognition of revenue and profit contribution from its on-going projects.

B3. Prospects for the current financial year

With the Group's 17 ongoing projects, unbilled sales of approximately RM1.25 billion as at 31 July 2016 and new project launches in the year 2016, the Group is confident of achieving further improvement in its financial performance for the financial year ending 31 December 2016.

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 expense were as follows:-

| | Individual Quarter | | Cumulative Period | |
|-------------------------------|---|---|---|---|
| | Current year Quarter 30.06.2016 RM'000 | Preceding year Quarter 30.06.2015 RM'000 | Current year To date 30.06.2016 RM'000 | Preceding year To date 30.06.2015 RM'000 |
| Current year tax provision | 11,869 | 9,068 | 25,545 | 17,974 |
| Over provision in prior years | - | (3) | - | (3) |
| Deferred taxation | (1,149) | (447) | (5,851) | (1,030) |
| Total tax expense | <u>10,720</u> | <u>8,618</u> | <u>19,694</u> | <u>16,941</u> |

The effective tax rate of the Group for the current quarter and financial period were higher than the statutory tax rate of 24% mainly due to losses of certain subsidiary companies which cannot set off against taxable profits made by other subsidiary companies, non-tax deductible expenses and non-recognition of deferred tax assets for certain temporary difference.

B6. Status of corporate proposals announced but not completed

The following is the status of corporate proposals that have been announced by the Company but has not been completed as at 22 August 2016, 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 wholly owned subsidiary company, Intellview Sdn. Bhd. ("ISB") has entered into a conditional Sale and Purchase Agreement ("SPA") with Laser Plus Sdn. Bhd. ("LPSB") 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 have 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 Condition Precedents therein have not been complied.

- (ii) On 20 April 2014, Koleksi Sigma Sdn. Bhd., a subsidiary company of the Company entered into a Joint Development Agreement with YPJ Multi Ventures Sdn. Bhd. (Company No. 268101-X) 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 Condition Precedents 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.

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B7. Utilisation of proceeds from disposal

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

The Board is expected to disclose the detailed plan for the proposed utilisation of the Promissory Note three months before the target receipt of each tranche of the Promissory Note.

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

On 26 September 2014, the Board had announced the utilisation of proceeds for the first tranche of the Promissory Note of HKD250 million. Such sum has been received on 30 December 2014 and fully utilised in February 2016.

On 1 September 2015, the Board had announced the early receipt of HKD200 million from the second tranche of the Promissory Note. Such sum has been fully utilised in May 2016.

On 16 March 2016, the Board had announced the early receipt of HKD200 million from the third tranche of the Promissory Note and its intended plan for the utilisation of proceeds.

On 3 June 2016, the Board had announced the early receipt of HKD200 million from the final tranche of the Promissory Note and its intended plan for the utilisation of proceeds.

Other than the cash proceeds of HKD500 million which has been fully utilised in the year 2015, the status of the utilisation of first, second, third and final tranche of the Promissory Note as at 22 August 2016, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of interim financial report, were as follows:-

a) HKD250 million (Tranche 1 of Promissory Note)

| | 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 |
| | 5 | 250,000 | 112,700 | (112,700) | - | (25,842) | -235% | |

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B7. Utilisation of proceeds from disposal (cont'd)

b) HKD200 million (Tranche 2 of Promissory Note)

| | 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 | 6 |
| Operating expenses | 1,2,3 | 20,000 | 10,748 | (13,872) | (3,124) | (3,124) | -29% | 1 year | 6 |
| | 5 | 200,000 | 107,480 | (107,480) | - | (26,812) | -176% | | |

c) HKD200 million (Tranche 3 of Promissory Note)

| | 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 | 100,000 | 53,270 | (53,270) | - | - | - | 1 year | N/A |
| Special dividend | 1,2,4 | 80,000 | 42,616 | - | 42,616 | - | - | 1 year | N/A |
| Payment for trade and other payables | 1,2,4 | 20,000 | 10,654 | (10,617) | 37 | - | - | 1 year | N/A |
| | 5 | 200,000 | 106,540 | (63,887) | 42,653 | - | - | | |

d) HKD200 million (Final Tranche of Promissory Note)

| | 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 | 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 | 1,2,4 | 11,250 | 6,001 | (5,984) | 17 | - | - | 1 year | N/A |
| | 5 | 200,000 | 106,680 | (71,992) | 34,688 | - | - | | |

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.

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B7. Utilisation of proceeds from disposal (cont'd)

Notes: (cont'd)

- 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) a) HKD250 million (Tranche 1)
Fully utilised in February 2016.
- b) HKD200 million (Tranche 2)
Fully utilised in May 2016.
- c) HKD200 million (Tranche 3)
Not yet fully utilised.
- d) HKD200 million (Final Tranche)
Not yet fully utilised.
- 6) The excess fund arising after the 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.

B8. Borrowings and debt securities

Total Group borrowings and debt securities as at 30 June 2016 were as follows: -

| | Secured RM'000 |
|------------------------------|---------------------------|
| <u>Short term borrowings</u> | |
| Finance lease payables | 1,977 |
| Bank overdrafts | 78,943 |
| Bank borrowings | 205,098 |
| Total short term borrowings | <u>286,018</u> |
| <u>Long term borrowings</u> | |
| Finance lease payables | 4,562 |
| Bank borrowings | 256,929 |
| Total long term borrowings | <u>261,491</u> |
| Total borrowings | <u>547,509</u> |

Currency exposure profile of borrowings were as follows:-

| | Secured RM'000 |
|----------------------|---------------------------|
| Ringgit Malaysia | 537,050 |
| United States Dollar | 10,459 |
| | <u>547,509</u> |

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B9. Changes in material litigation

There was no material litigation as at 22 August 2016, 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

On 6 May 2016, the Company has approved the declaration of the Special Dividend of 6 sen per ordinary share of RM1.00 each (Exempt from Income Tax) in respect of the financial year ending 31 December 2016, to be payable in 3 tranches, 2 sen for each tranche. The first payment will be made in the fourth quarter of 2016, while the remaining two payments are to be paid in the first and second quarter of 2017. This Special Dividend of 6 sen is to be paid out from the Third Tranche of Promissory Note received in March 2016.

In respect of the previous financial year ended 31 December 2015:-

At the Annual General Meeting held on 9 June 2016, the shareholders of the Company approved a first and final single tier dividend of 3.5 sen per ordinary share of RM1.00 each which will be paid on 5 September 2016 to depositors registered in the Record of Depositors on 18 August 2016.

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 Parent and divided by the weighted average number of ordinary shares in issue:-

| | Current year to date 30.06.2016 | Preceding year to date 30.06.2015 |
|--|--|--|
| Net profit attributable to owners of the Parent (RM'000) | <u>37,015</u> | <u>33,309</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>555,395</u> | <u>533,441</u> |
| Basic EPS (sen) | <u>6.66</u> | <u>6.24</u> |

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B11. Earnings per share (“EPS”) (cont’d)

Diluted EPS

The calculation of the diluted 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 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 year to date 30.06.2016 | Preceding year to date 30.06.2015 |
|---|--|--|
| Net profit attributable to owners of the Parent (RM’000) | <u>37,015</u> | <u>33,309</u> |
| Adjusted weighted average number of ordinary shares in issue (‘000) | <u>591,027</u> | <u>550,428</u> |
| Diluted EPS (sen) | <u>6.26</u> | <u>6.05</u> |

B12. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Current Year Quarter 30.06.2016 RM’000 | Current Period To Date 30.06.2016 RM’000 |
|---|---|---|
| Allowance for impairment loss on : | | |
| - Goodwill arising on consolidation | - | (429) |
| Depreciation of : | | |
| - Investment properties | (184) | (362) |
| - Property, plant and equipment | (3,771) | (7,566) |
| Development costs written off | (203) | (203) |
| Property, plant and equipment written off | (10) | (275) |
| Share-based payment | (1,238) | (1,395) |
| Net (loss) / gain on foreign exchange | | |
| - Realised | (4,611) | (5,710) |
| - Unrealised | 214 | 2,537 |
| Dividend income from: | | |
| - Financial assets at fair value through profit or loss | 85 | 181 |
| Fair value gain on: | | |
| - Financial assets at fair value through profit or loss | 56 | 61 |
| Gain on disposal of : | | |
| - Financial assets at fair value through profit or loss | - | 19 |
| - Investment properties | 172 | 172 |
| - Property, plant and equipment | - | 1 |
| Interest income from: | | |
| - Financial assets measured at amortised cost | <u>652</u> | <u>1,490</u> |

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B13. Realised and unrealised profits

| | Unaudited 30.06.2016 RM'000 | Audited 31.12.2015 RM'000 |
|--|--|--|
| Total retained profits of the Company and its subsidiary companies: | | |
| - Realised | 731,025 | 684,493 |
| - Unrealised | <u>17,381</u> | <u>9,362</u> |
| | 748,406 | 693,855 |
| Total share of retained profits from associated companies: | | |
| - Realised | <u>3,627</u> | <u>3,325</u> |
| | 752,033 | 697,180 |
| Less : Consolidation adjustments | <u>(249,852)</u> | <u>(232,014)</u> |
| Total Group retained profits as per consolidated accounts | <u>502,181</u> | <u>465,166</u> |

The disclosure of realised and unrealised profits 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,

Dato' Lim Mooi Pang
Executive Director

Petaling Jaya, Selangor Darul Ehsan
29 August 2016