



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

Interim Financial Report

31 March 2017

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

Interim Financial Report

31 March 2017

	Page No.
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 26

LBS BINA GROUP BERHAD (518482-H)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2017**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2017 RM'000	Preceding Year Quarter 31.03.2016 RM'000	Current Year To date 31.03.2017 RM'000	Preceding Year To date 31.03.2016 RM'000
Revenue		247,350	200,472	247,350	200,472
Cost of sales		(160,851)	(132,665)	(160,851)	(132,665)
Gross profit		86,499	67,807	86,499	67,807
Interest Income		1,593	1,814	1,593	1,814
Other income		2,874	3,665	2,874	3,665
Operating expenses		(42,132)	(41,831)	(42,132)	(41,831)
Finance costs		(6,817)	(6,712)	(6,817)	(6,712)
Share of profit in associated companies		7	254	7	254
Profit before taxation		42,024	24,997	42,024	24,997
Taxation	B5	(16,372)	(8,974)	(16,372)	(8,974)
Net profit for the financial period		25,652	16,023	25,652	16,023
Net profit for the financial period attributable to: -					
Owners of the Company		24,773	16,861	24,773	16,861
Non-controlling interests		879	(838)	879	(838)
		25,652	16,023	25,652	16,023
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B11	3.82	3.06	3.82	3.06
Diluted (sen)	B11	3.69	2.88	3.69	2.88

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
- For the financial period ended 31 March 2017 (cont'd)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2017 RM'000	Preceding Year Quarter 31.03.2016 RM'000	Current Year To date 31.03.2017 RM'000	Preceding Year To date 31.03.2016 RM'000
Net profit for the financial period	25,652	16,023	25,652	16,023
Other comprehensive income, net of tax:				
Exchange translation differences for foreign operations	(2,093)	(21,290)	(2,093)	(21,290)
Loss on revaluation of available-for-sale financial assets	(4,847)	-	(4,847)	-
Total comprehensive income for the financial period	18,712	(5,267)	18,712	(5,267)
Total comprehensive income for the financial period attributable to: -				
Owners of the Company	17,301	(7,156)	17,301	(7,156)
Non-controlling interests	1,411	1,889	1,411	1,889
	18,712	(5,267)	18,712	(5,267)

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

- As at 31 March 2017

	Note	31.03.2017 (Unaudited) RM'000	31.12.2016 (Audited) RM'000
<u>ASSETS</u>			
Non-current Assets			
Property, plant and equipment	A10	278,614	261,064
Capital work-in-progress		5,823	5,368
Land and property development costs		745,344	730,526
Investment properties		39,865	61,469
Investment in associated companies		2,474	2,636
Other investments		93,541	99,950
Goodwill on consolidation		126,635	126,980
		1,292,296	1,287,993
Current Assets			
Land and property development costs		380,388	359,131
Inventories		184,541	187,867
Amount owing by customers on contracts		9,303	207
Accrued billings in respect of land and property development costs		310,067	326,709
Trade and other receivables		464,027	425,955
Other investments		2,504	-
Tax recoverable		7,426	6,844
Fixed deposits with licensed banks		38,563	49,079
Cash held under Housing Development Accounts		111,205	74,387
Cash and bank balances		101,723	107,332
		1,609,747	1,537,511
TOTAL ASSETS		2,902,043	2,825,504
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to owners of the Company			
Share capital		736,468	641,424
Reserves		468,869	524,483
Treasury shares, at cost		(88)	(88)
		1,205,249	1,165,819
Non-controlling interests		45,113	41,205
TOTAL EQUITY		1,250,362	1,207,024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
- As at 31 March 2017 (cont'd)

		31.03.2017 (Unaudited) RM'000	31.12.2016 (Audited) RM'000
	Note		
LIABILITIES			
Non-current Liabilities			
Trade and other payables		296,806	303,131
Finance lease payables	B8	3,707	4,127
Bank borrowings	B8	362,589	314,144
Deferred tax liabilities		17,408	18,232
		680,510	639,634
Current Liabilities			
Amount owing to customers on contract		1,102	11,841
Progress billings in respect of land and property development costs		22,716	13,299
Trade and other payables		612,463	632,664
Bank overdrafts	B8	83,277	100,902
Finance lease payables	B8	2,101	2,108
Bank borrowings	B8	220,795	195,545
Tax payable		28,717	22,487
		971,171	978,846
TOTAL LIABILITIES		1,651,681	1,618,480
TOTAL EQUITY AND LIABILITIES		2,902,043	2,825,504
Net Assets per share attributable to owners of the Company (RM)		1.83	1.82

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

- For the financial period ended 31 March 2017

	←----- Attributable to owners of the Parent -----→										
	<----- Non-distributable ----->								> <-Distributable->		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as at 1.1.2017	641,424	(88)	74,235	8,415	119,866	36,567	(218,062)	503,462	1,165,819	41,205	1,207,024
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	-	24,773	24,773	879	25,652
Foreign currency translation	-	-	-	-	(2,651)	-	26	-	(2,625)	532	(2,093)
Loss on revaluation of available-for-sale financial assets	-	-	-	-	-	-	(4,847)	-	(4,847)	-	(4,847)
Total comprehensive income for the financial period	-	-	-	-	(2,651)	-	(4,821)	24,773	17,301	1,411	18,712
Transactions with owners:											
Net changes of non-controlling interests	-	-	-	-	-	-	-	-	-	146	146
Changes in ownership interest in subsidiary companies	-	-	-	-	-	-	2,452	-	2,452	(2,463)	(11)
Realisation of subsidiary companies' reserve	-	-	-	-	-	-	672	-	672	4,814	5,486
Issuance of ordinary shares:											
- Exercise of warrants	14,550	-	1,282	-	-	(1,570)	-	-	14,262	-	14,262
- Exercise of ESOS	3,476	-	46	-	-	-	-	-	3,522	-	3,522
Realisation of warrants B reserve	-	-	-	-	-	(2,910)	2,910	-	-	-	-
Realisation of ESOS's share premium	1,380	-	75	(1,455)	-	-	-	-	-	-	-
Share-based payment	-	-	-	1,221	-	-	-	-	1,221	-	1,221
Total transactions with owners	19,406	-	1,403	(234)	-	(4,480)	6,034	-	22,129	2,497	24,626
Reclassification pursuant to S618(2) of CA 2016*	75,638	-	(75,638)	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	736,468	(88)	-	8,181	117,215	32,087	(216,849)	528,235	1,205,249	45,113	1,250,362

Note:

*The new Companies Act 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the New Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

- For the financial period ended 31 March 2016 (cont'd)

	←----- Attributable to owners of the Parent ----->										
	<----- Non-distributable ----->					> <-Distributable->					
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as at 1.1.2016	551,437	(8,634)	48,298	12,794	121,327	68,321	(227,048)	465,166	1,031,661	(19,288)	1,012,373
Amount recognised directly in equity:											
Net profit for the financial period	-	-	-	-	-	-	-	16,861	16,861	(838)	16,023
Foreign currency translation	-	-	-	-	(26,663)	-	2,646	-	(24,017)	2,727	(21,290)
Total comprehensive income for the financial period	-	-	-	-	(26,663)	-	2,646	16,861	(7,156)	1,889	(5,267)
Transactions with owners:											
Net changes in ownership interest in subsidiary companies	-	-	-	-	-	-	(11,093)	-	(11,093)	93	(11,000)
Issuance of ordinary shares:											
- Exercise of warrants	121	-	12	-	-	(12)	-	-	121	-	121
- Exercise of ESOS	101	-	8	-	-	-	-	-	109	-	109
Share-based payment	-	-	-	157	-	-	-	-	157	-	157
Own shares sold	-	8,570	265	-	-	-	-	-	8,835	-	8,835
Total transactions with owners	222	8,570	285	157	-	(12)	(11,093)	-	(1,871)	93	(1,778)
Balance as at 31.03.2016	551,659	(64)	48,583	12,951	94,664	68,309	(235,495)	482,027	1,022,634	(17,306)	1,005,328

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

- For the financial period ended 31 March 2017

	Current Period Ended 31.03.2017 RM'000	Preceding Period Ended 31.03.2016 RM'000
Profit before taxation	42,024	24,997
Adjustments for :-		
Non-cash items	1,268	1,543
Other operating items	5,189	5,482
Operating profit before changes in working capital	<u>48,481</u>	<u>32,022</u>
Changes in working capital :		
Inventories	3,325	(23,379)
Land and property development costs	(25,076)	(13,673)
Amount owing by / to customers on contract	(19,835)	(1,312)
Accrued / progress billings in respect of land and property development costs	26,059	(75,856)
Receivables	(21,727)	(56,639)
Payables	6,718	24,106
Foreign exchange reserve	5,372	14,880
	<u>(25,164)</u>	<u>(131,873)</u>
Cash generated from / (used in) operations	<u>23,317</u>	<u>(99,851)</u>
Interest received	1,593	976
Interest paid	(10,902)	(8,379)
Tax paid	(11,253)	(7,564)
Tax refund	-	211
	<u>(20,562)</u>	<u>(14,756)</u>
Net cash generated from / (used in) operating activities	<u>2,755</u>	<u>(114,607)</u>
Cash Flows From Investing Activities		
Additional investment in :		
- Subsidiary and associated companies	(4,615)	(11,786)
- Financial assets at fair value through profit or loss	(12,500)	(13,000)
Repayment of prior year investment in subsidiary and associated companies	(9,086)	(3,550)
Purchase of :		
- Property, plant and equipment	(2,043)	(1,556)
Proceeds from disposal of :		
- Financial assets at fair value through profit or loss	10,012	36,093
- Property, plant and equipment	215	5
- Subsidiary companies	6,660	-
Proceeds from Promissory note	-	102,305
Deposits and consideration paid for acquisition and joint venture of development lands	(29,689)	(32,876)
Acquisition of subsidiary companies, net of cash acquired	(163)	-
Capital work-in-progress incurred	(520)	(5,549)
Net cash (used in) / generated from investing activities	<u>(41,729)</u>	<u>70,086</u>

LBS BINA GROUP BERHAD (518482-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
- For the financial period ended 31 March 2017 (cont'd)

	Current Period Ended 31.03.2017 RM'000	Preceding Period Ended 31.03.2016 RM'000
Cash Flows From Financing Activities		
Decrease in fixed deposit pledged	14,451	3,322
Increase in cash and bank balances pledged	(3,072)	(1,002)
Drawdown of bank borrowings	114,164	138,150
Repayment of bank borrowings	(40,394)	(101,041)
Dividend paid	(13,028)	(32,719)
Proceeds from :		
- Exercise of warrants	14,262	121
- Exercise of ESOS	3,522	109
- Disposal of treasury shares	-	8,835
Repayment of finance lease payables	(525)	(256)
Net cash generated from financing activities	<u>89,380</u>	<u>15,519</u>
Net increase / (decrease) in cash and cash equivalents	50,406	(29,002)
Effects of exchange rate changes	(710)	(4,090)
Cash and cash equivalents at the beginning of the financial period	79,796	154,360
Cash and cash equivalents at the end of the financial period	<u>129,492</u>	<u>121,268</u>
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed banks	38,563	38,661
Cash held under Housing Development Accounts	111,205	40,795
Cash and bank balances	101,723	126,605
Bank overdrafts	(83,277)	(57,546)
	<u>168,214</u>	<u>148,515</u>
Less : Fixed deposits pledged with licensed banks	(25,771)	(17,131)
Cash and bank balances pledged	(12,951)	(10,116)
	<u>129,492</u>	<u>121,268</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

A1. Basis of preparation

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

A2. Changes in accounting policies

Basis of accounting

The financial statements of the Group have been prepared on the historical cost convention basis except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act, 1965 in Malaysia.

Adoption of new and amended standards

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

- | | |
|---|--|
| Amendments to FRS 107 | Disclosure Initiative |
| Amendments to FRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses |
| Annual Improvements to FRSs 2012 – 2014 Cycle | |
| • Amendments to FRS 12 | |

The adoption of above 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 FRSs, Interpretation and amendments to FRSs that have been issued by the MASB which are not yet effective for the Group:-

		<u>Effective date for financial periods beginning on or after</u>
Annual Improvements to FRSs 2014 – 2016 Cycle		
• Amendments to FRS 1		1 January 2018
• Amendments to FRS 128		1 January 2018
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 140	Transfer of Investment Property	1 January 2018
Amendments to FRS 4	Applying <i>FRS 9 Financial Instruments</i> with <i>FRS 4 Insurance Contracts</i>	1 January 2018 *
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

LBS BINA GROUP BERHAD (518482-H)

A2. Changes in accounting policies (cont'd)

Standards issued but not yet effective (cont'd)

The Group has not applied the following new FRSs and amendments to FRSs that have been issued by the MASB which are not yet effective for the Group: - (cont'd)

		Effective date for financial periods <u>beginning on or after</u>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* Entities that meet the specific criteria in FRS 4, paragraph 20B, may choose to defer the application of FRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

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

The initial application of the abovementioned FRSs are not expected to have any significant impact on the financial statements of the Group except as mentioned below:

FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 *Financial Instruments: Recognition and Measurement*.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting FRS 9.

LBS BINA GROUP BERHAD (518482-H)

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

New Malaysian Financial Reporting Standards (“MFRS Framework”) issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called “Transitioning Entities”).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2018. In presenting their first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ending 31 December 2017 could be different if prepared under the MFRS Framework.

Companies Act 2016

The Companies Act 2016 (“New Act”) was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders. The New Act was passed on 4 April 2016 by Dewan Rakyat (House of Representative) and gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the date on which the New Act comes into operation, except section 241 and Division 8 of Part III of the New Act, will be 31 January 2017.

Among the key changes introduced in the New Act which will affect the financial statements of the Group upon the commencement of the New Act on 31 January 2017 includes:

- (a) removal of the authorised share capital;
- (b) shares of the Group will cease to have par on nominal value; and
- (c) the Group’s share premium account will become part of the Group’s share capital.

During the period, the Group had transferred a total of RM75,637,367 from its share premium account to the share capital pursuant to the New Act.

The adoption of the New Act did not have any financial impact on the Group for the current financial year as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption mainly will be on disclosures to the annual report and financial statements for the financial year ending 31 December 2017.

A3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

LBS BINA GROUP BERHAD (518482-H)

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) Under the Company

- (a) Issuance of shares pursuant to the Company's Employees' Share Option Scheme ("ESOS")
The Company has issued and allotted 2,766,600 ordinary shares for cash at a subscription price ranges from of RM1.00 to RM1.61 per ordinary share.
- (b) Issuance of shares pursuant to the Conversion of Warrants A
A total of 6,520,200 Warrants A were converted into ordinary shares at an exercise price of RM1.00 per Warrant A which have resulted in 6,520,200 ordinary shares being issued.
- (c) Issuance of shares pursuant to the Conversion of Warrants B
A total of 6,191,375 Warrants B were converted into ordinary shares at an exercise price of RM1.25 per Warrant B which have resulted in 6,191,375 ordinary shares being issued.

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

- (a) Issuance of shares pursuant to the Conversion of Warrants 2014/2019
A total of 9,190,500 Warrants 2014/2019 were converted into ordinary shares at an exercise price of RM0.50 per Warrant 2014/2019 which have resulted in 9,190,500 ordinary shares being issued.

A8. Dividend paid

During the financial quarter under review, a tax exempt special dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2016 was paid on 17 March 2017.

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information

Period ended 31 March 2017

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	220,605	163,504	3,427	3,194	390,730
Less: Inter-segment sales	-	(140,034)	(3,346)	-	(143,380)
Total revenue	220,605	23,470	81	3,194	247,350
FINANCIAL RESULTS					
Segment results	38,909	12,893	116	(4,677)	47,241
Interest income	1,418	1	150	24	1,593
Finance costs	(2,754)	(510)	(3,243)	(310)	(6,817)
Share of profit in associated companies	-	-	7	-	7
Profit / (loss) before taxation	37,573	12,384	(2,970)	(4,963)	42,024
Taxation	(12,837)	(3,311)	(651)	427	(16,372)
Net profit / (loss) for the financial period	24,736	9,073	(3,621)	(4,536)	25,652
Assets					
Additions to non-current assets	16,608	852	2,377	424	20,261
Segment assets	2,052,805	195,694	425,235	228,309	2,902,043
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	447	-	3	-	450
Bad debts written off	330	-	-	-	330
Depreciation of :					
- Investment properties	47	165	1	-	213
- Property, plant and equipment	734	825	297	2,192	4,048
Net loss on disposal of :					
- Property, plant and equipment	-	-	11	-	11
- Financial assets at fair value through profit or loss	-	-	11	-	11
Property, plant and equipment written off	-	15	6	13	34
Share-based payment	-	-	1,221	-	1,221
Unrealised loss on foreign exchange	-	-	-	24	24
Other non-cash income					
Dividend income from					
financial assets at fair value through profit or loss	-	-	(27)	-	(27)
Gain on disposal of :					
- Property, plant and equipment	-	(121)	-	-	(121)
- Subsidiary companies	-	-	(778)	-	(778)
Reversal of allowance for impairment loss on receivable	(87)	-	-	-	(87)
Reversal on contingency sum provided in prior years	(2,997)	-	-	-	(2,997)
Unrealised gain on foreign exchange	-	-	(631)	-	(631)
Waiver of debts	-	-	(279)	-	(279)

LBS BINA GROUP BERHAD (518482-H)

A9. Segment information (cont'd)

Period ended 31 March 2016

	Property Development RM'000	Construction & Trading RM'000	Management, Investment & Others RM'000	Motor Racing Circuit RM'000	Consolidated RM'000
REVENUE					
Sales	173,986	105,145	79,396	5,130	363,657
Less: Inter-segment sales	-	(84,042)	(79,143)	-	(163,185)
Total revenue	173,986	21,103	253	5,130	200,472
RESULTS					
Segment results	21,840	8,596	1,454	(2,249)	29,641
Interest income	861	1	927	25	1,814
Finance costs	(3,523)	(469)	(2,318)	(402)	(6,712)
Share of profit in associated companies	-	356	(102)	-	254
Profit / (loss) before taxation	19,178	8,484	(39)	(2,626)	24,997
Taxation	(6,704)	(2,109)	(582)	421	(8,974)
Net profit / (loss) for the financial period	12,474	6,375	(621)	(2,205)	16,023
Assets					
Additional investment in associated company	-	-	3,511	-	3,511
Additions to non-current assets	11,789	1,542	494	644	14,469
Segment assets	1,777,315	121,790	287,657	224,104	2,410,866
Other non-cash expenses					
Allowance for impairment loss on:					
- Goodwill arising on consolidation	429	-	-	-	429
Depreciation of:					
- Investment properties	66	111	1	-	178
- Property, plant and equipment	424	504	157	2,710	3,795
Property, plant and equipment written off	3	1	248	13	265
Share-based payment	-	-	157	-	157
Unrealised loss on foreign exchange	1	-	3	26	30
Other non-cash income					
Dividend income from					
financial assets at fair value through profit or loss	-	-	(96)	-	(96)
Fair value gain on					
financial assets at fair value through profit or loss	-	-	(5)	-	(5)
Gain on disposal of:					
- Financial assets at fair value through profit or loss	-	-	(19)	-	(19)
- Property, plant and equipment	(1)	-	-	-	(1)
Interest income from					
financial assets measured at amortised cost	-	-	(838)	-	(838)
Unrealised gain on foreign exchange	-	-	(2,353)	-	(2,353)

LBS BINA GROUP BERHAD (518482-H)

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 2 January 2017, LBS Bina Holdings Sdn. Bhd. ("LBS"), a wholly-owned subsidiary company of the Company acquired 1,748,060 ordinary shares representing 60% equity interest in Healthguard Medicare Sdn. Bhd. ("HMSB") for a total cash consideration of RM1 only. Consequently, HMSB became a 60% owned-subsiary company of LBS.
- (ii) On 21 February 2017, ML Global Berhad ("MGB"), a 55.34% owned subsidiary company of the Company subscribed for 51 ordinary shares in Alunan Warta Sdn. Bhd. ("AWSB") for a total cash consideration of RM51 only. Consequently, AWSB became a 51% owned subsidiary company of MGB.
- (iii) On 22 February 2017, Fokus Awana Sdn. Bhd. ("FASB"), a wholly-owned subsidiary company of LBS had increased its paid up share capital from 7,000,000 to 13,000,000 ordinary shares. LBS has subscribed for an additional 6,000,000 ordinary shares in FASB by way of capitalisation.
- (iv) On 3 March 2017, Vintage Tiles Industries (EM) Sdn. Bhd. ("VTISB"), a wholly-owned subsidiary company of MGB, acquired 2 ordinary shares in Delta Gallery Sdn. Bhd. ("DGSB") for a total cash consideration of RM2 only. Consequently, DGSB became a wholly-owned subsidiary company of VTISB.

On 22 March 2017, DGSB has increased its paid up share capital from 2 to 250,000 ordinary shares. VTISB has subscribed for an additional of 249,998 ordinary shares in DGSB by way of cash.

- (v) On 7 March 2017, Biz Bena Development Sdn. Bhd. ("BBDSB"), an associated company of Pelangi Homes Sdn Bhd ("PHSB"), an indirect subsidiary company of the Company had increased its paid up share capital from 500,000 to 520,000 ordinary shares. PHSB has subscribed for an additional 20,000 ordinary shares in BBDSB for a total cash consideration of RM20,000 only. Consequently, BBDSB became a 51.92% owned subsidiary company of PHSB.
- (vi) On 14 March 2017, LBS acquired 150,000 ordinary shares representing 30% equity interest in Bimbingan Sumber Sdn. Bhd. ("BSSB") for a total cash consideration of RM150,000 only. Consequently, BSSB became a 60% owned subsidiary company of LBS.
- (vii) On 16 March 2017, the Company had disposed of 100,000 ordinary shares representing the entire equity interest of its wholly-owned subsidiary company, Saga Serata Sdn. Bhd. ("SSSB") for a total cash consideration of RM100,000 only.

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

LBS BINA GROUP BERHAD (518482-H)

A12. Material subsequent events

- (i) On 18 April 2017, VTISB acquired 1 ordinary share in Idaman Kukuh Sdn. Bhd. ("IKSB") for a total cash consideration of RM1 only. Consequently, IKSB became a wholly-owned subsidiary company of VTISB.
- (ii) On 8 May 2017, MITC Engineering Sdn. Bhd. ("MITCE"), a wholly-owned subsidiary company of MGB, acquired 700 ordinary shares in MGB Geotech Sdn. Bhd. ("MGB Geotech") for a total cash consideration of RM700 only. Consequently, MGB Geotech became an 70% owned subsidiary company of MITCE.
- (iii) On 8 May 2017, LBS acquired 200,000 ordinary shares representing 20% equity interest in Puncak Gama Sdn. Bhd. ("PGSB") for a total cash consideration of RM18,500,000 only. Consequently, PGSB became a wholly-owned subsidiary company of LBS.

There were no other material subsequent events as at 23 May 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A13. Capital commitments

Capital commitments not provided for in the interim financial report as at 31 March 2017 were as follows:

	Amount RM'000
Approved and contracted for property development:	
- Sale and Purchase Agreements	50,445
- Joint Venture Agreements	785,318
Approved and contracted for property, plant and equipment:	
- Sale and Purchase Agreements	1,878
	<u>837,641</u>

A14. Changes in contingent assets or contingent liabilities

(a) Contingent assets

Pursuant to MGB's regularisation plan, the Company together with Dato' Beh Hang Kong, both are the major shareholders of MGB, have entered into a profit guarantee agreement to provide profit guarantee on a proportionate basis, if MGB Group's audited operational profit after taxation is below RM6 million per annum ("guaranteed profit") (excluding write-off, other income and any other adjustments not in the ordinary course of business) for the two consecutive financial years following the successful implementation of the approved self-regularisation plan in the year 2014.

The Company and Dato' Beh Hang Kong shall be liable to half of any shortfall between the guaranteed profit and MGB Group's audited operational profit after taxation respectively. As at 31 December 2016, MGB had recorded an audited operational profit after taxation of RM3.96 million.

The profit guarantee shortfall had been paid by the Company and Dato' Beh Hang Kong as at the date of this report.

A14. Changes in contingent assets or contingent liabilities (cont'd)

(b) Contingent Liabilities

	31.03.2017	31.03.2016
	RM'000	RM'000
Bank guarantees issued for :		
- Property Development	41,777	11,396
- Construction Contracts	6,809	45
- Others	30	30
	<u>48,616</u>	<u>11,471</u>

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	2,393
Rental income	8
Expenses	
Contractors' fees	3,544
Equity instrument	150
Legal fees	72
Rental expenses	44
Rendering of services	82

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 RM247 million and RM42 million respectively. These represent 23% increase in revenue and 68% increase in PBT over the results recorded in the corresponding quarter in the year 2016.

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

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 RM247 million and RM42 million respectively as compared to the revenue and PBT of approximately RM322 million and RM54 million respectively in the immediate preceding quarter.

The revenue and PBT were lower mainly due to completion of certain projects in the immediate preceding quarter.

B3. Prospects for the current financial year

With the Group's 17 ongoing projects, unbilled sales of approximately RM1.41 billion as at 30 April 2017 and new project launches in the year 2017, the Group is confident of achieving further improvement in its financial performance for the financial year ending 31 December 2017.

B4. Profit forecast or profit guarantee

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

LBS BINA GROUP BERHAD (518482-H)

B5. Taxation

The breakdown of tax expense were as follows:-

	Individual Quarter		Cumulative Period	
	Current year Quarter 31.03.2017 RM'000	Preceding year Quarter 31.03.2016 RM'000	Current year To date 31.03.2017 RM'000	Preceding year To date 31.03.2016 RM'000
Current year tax provision	16,613	13,676	16,613	13,676
Under provision in prior years	244	-	244	-
Deferred taxation	(485)	(4,702)	(485)	(4,702)
Total tax expense	<u>16,372</u>	<u>8,974</u>	<u>16,372</u>	<u>8,974</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 23 May 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :-

- (i) On 26 March 2014, the Company's indirect wholly-owned subsidiary company, Intellview Sdn. Bhd. had entered into a conditional Sale and Purchase Agreement ("SPA") with Laser Plus Sdn. Bhd. for the purchase of a piece of leasehold land known as Country Lease No. 015005991, Tanjong Lipat, Jesselton in the District of West Coast in the State of Sabah measuring approximately 6.25 acres at the consideration sum of Ringgit Malaysia Seventy Two Million and Five Hundred Thousand (RM72,500,000) only.

The parties had subsequently entered into an agreement on 10 August 2016 ("Agreement") to amend and vary the provisions in the SPA. Accordingly, the Agreement herein shall supersede any other previous agreement entered by the parties including the abovementioned SPA.

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

- (ii) On 20 April 2014, the Company's indirect 75% owned subsidiary company, Koleksi Sigma Sdn. Bhd. had entered into a Joint Development Agreement with YPJ Multi Ventures Sdn. Bhd. for the proposed joint development project to develop 3 pieces of land with total land area measuring 10.6 acres in Tampoi, Johor.

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

- (iii) On 19 September 2015, the Company had signed a Memorandum of Understanding ("MOU") with Zhuhai Jiuzhou Holdings Group Co., Ltd. ("Jiuzhou Holdings") in relation to the proposed Zhuhai International Circuit Limited ("ZIC") Upgrading and Transformation Plan ("Plan").

This MOU is not subject to the approval of shareholders. However the Plan would be subject to the feasibility study and approvals of all relevant authorities in China.

There is no material development from the date of announcement.

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

The following is the status of corporate proposals that have been announced by the Company but have not been completed as at 23 May 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :- (*cont'd*)

- (iv) On 10 September 2016, the Company's indirect 51% owned subsidiary company, Kemudi Ehsan Sdn. Bhd. ("KESB") together with Worldwide Property Management Sdn. Bhd. had entered into a Development Rights Agreement ("DRA") with Menteri Besar Selangor (Pemerbadanan) ("MBI") to accept the development rights for the development on 10 parcels of leasehold lands, all situated in Mukim Ijok, District of Kuala Selangor, in the State of Selangor ("Development Land"). Under the terms of the DRA, *inter alia*, KESB shall pay to MBI its portion of the Development Rights Value of Ringgit Malaysia Two Hundred Ninety Three Million and Three Hundred Fifteen Thousand (RM293,315,000) only for acquiring the development rights on the Development Land.

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

- (v) On 8 March 2017, the Company's indirect subsidiary company, Biz Bena Development Sdn. Bhd. had entered into a Joint Development Agreement with YPJ Plantations Sdn. Bhd. for the proposed development project on a piece of leasehold land with the total land area measuring approximately 541.4 acres held under part of the master title Pajakan Negeri No Hakmilik 57334 Lot 22825 (known as HSD 28627 PTD 10202) in Mukim of Ulu Sungai Johor, District of Kota Tinggi, in the state of Johor.

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

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

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

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

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

The approval by Bursa Malaysia for the Proposed Rights Issue is subject to the following conditions:-

- i) LBGB and RHB Investment Bank Berhad ("RHBIB") must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Malaysia pertaining to the implementation of the Proposed Rights Issue;
- ii) LBGB and RHBIB to inform Bursa Malaysia upon completion of the Proposed Rights Issue;
- iii) To incorporate the comments made in the circular to shareholders provided in the attachment of the Approval Letter;
- iv) LBGB to furnish Bursa Malaysia with a written confirmation of its compliance with the terms and conditions of Bursa Malaysia's approval once the Proposed Rights Issue is completed;

LBS BINA GROUP BERHAD (518482-H)

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

The following is the status of corporate proposals that have been announced by the Company but have not been completed as at 23 May 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report :- (*cont'd*)

- v) LBGB to furnish Bursa Malaysia with a certified true copy of the resolutions passed by the shareholders at extraordinary general meeting approving the Proposed Rights Issue; and
 - vi) Payment of additional listing fees based on the final issue price of the RCPS together with a copy of the computation of the amount of listing fees payable, if relevant. In this respect, LBGB is required to furnish Bursa Malaysia on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the RCPS as at the end of each quarter together with a detailed computation of the listing fees payable.
- (vii) On 23 March 2017, the Company's indirect subsidiary company, Delta Gallery Sdn. Bhd. had entered into a Joint Development Agreement with Alaf Cahaya Development Sdn. Bhd. for the proposed development project on a piece of leasehold land with the total land area measuring approximately 4.69 acres held under part of the master title Pajakan Negeri HSD 316362 PT 81444 in Mukim Petaling, District of Petaling, in the state of Selangor.
- This Agreement has not been completed as the Conditions Precedent therein have not been complied.
- (viii) On 18 April 2017, MGB has announced its proposal to diversify its Group's existing business to include property development and property investment ("New Businesses"). The New Businesses which is complementary to the existing construction business is expected to contribute positively to the revenue and earnings of its Group. The proposed diversification of business is subject to MGB shareholders' approval at the Extraordinary General Meeting to be convened later.

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, Zhuhai Holdings shares and deferred cash payment of HKD850 million from Promissory Note.

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

The details of deferred cash payment of HKD850 million from Promissory Note were as follows:-

	Amount <u>HKD'000</u>	<u>Receipt Date</u>	<u>Full Utilisation Date</u>
(a) Tranche 1	250,000	30-Dec-14	Feb-16
(b) Tranche 2	200,000	1-Sep-15	May-16
(c) Tranche 3	200,000	16-Mar-16	Not yet fully utilised
(d) Final tranche	<u>200,000</u>	3-June-16	Not yet fully utilised
	<u>850,000</u>		

LBS BINA GROUP BERHAD (518482-H)

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

The utilisation status of all tranches of Promissory Note as at 23 May 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance interim financial report, were as follows :-

a) Tranche 1 of Promissory Note (HKD250 million)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for utilisation
		HKD'000	RM'000	RM'000	RM'000	RM'000	%	
Reduction of bank borrowings	1,2,3	121,951	54,976	(42,181)	12,795	-	-	1 year
Special dividend	1,2,3	78,049	35,184	(31,427)	3,757	-	-	1 month
Payment for trade and other payables	1,2,3	24,390	10,995	(36,837)	(25,842)	(25,842)	-235%	1 year
Operating expenses	1,2,3	25,610	11,545	(2,255)	9,290	-	-	1.5 years
		250,000	112,700	(112,700)	-	(25,842)	-235%	

b) Tranche 2 of Promissory Note (HKD200 million)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
		HKD'000	RM'000	RM'000	RM'000	RM'000	%		
Reduction of bank borrowings	1,2,3	70,000	37,618	(21,867)	15,751	-	-	1 year	N/A
Special dividend	1,2,3	80,000	42,992	(31,931)	11,061	-	-	1 year	N/A
Payment for trade and other payables	1,2,3	30,000	16,122	(39,810)	(23,688)	(23,688)	-147%	1 year	Note 5
Operating expenses	1,2,3	20,000	10,748	(13,872)	(3,124)	(3,124)	-29%	1 year	Note 5
		200,000	107,480	(107,480)	-	(26,812)	-176%		

(c) Tranche 3 of Promissory Note (HKD200 million)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
		HKD'000	RM'000	RM'000	RM'000	RM'000	%		
Reduction of bank borrowings	1,2	100,000	53,270	(53,270)	-	-	-	1 year	N/A
Special dividend	1,2,4	80,000	42,616	(26,133)	16,483	-	-	1.5 years	N/A
Payment for trade and other payables	1,2	20,000	10,654	(10,654)	-	-	-	1 year	N/A
		200,000	106,540	(90,057)	16,483	-	-		

LBS BINA GROUP BERHAD (518482-H)

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

(d) Final Tranche of Promissory Note (HKD200 million)

	Note	Proposed Utilisation	Proposed Utilisation	Actual Utilisation	Proceeds Balance	Deviation		Timeframe for utilisation	Explanations (deviation is 5% or more)
		HKD'000	RM'000	RM'000		RM'000	%		
Reduction of bank borrowings	1,2	123,750	66,008	(66,008)	-	-	-	1 year	N/A
Special dividend	1,2,4	65,000	34,671	-	34,671	-	-	2 years	N/A
Operating expenses	1,2	11,250	6,001	(6,001)	-	-	-	1 year	N/A
		200,000	106,680	(72,009)	34,671	-	-		

Notes:

- 1) (a) HKD250 million
Adopted the exchange rate of HKD1.00 : RM0.4510, being the closing rate as at 30 December 2014 published by Bank Negara.
 - (b) HKD200 million
Adopted the exchange rate of HKD1.00 : RM0.5374, being the closing rate as at 1 September 2015 published by Bank Negara.
 - (c) HKD200 million
Adopted the exchange rate of HKD1.00 : RM0.5327, being the closing rate as at 16 March 2016 published by Bank Negara.
 - (d) HKD200 million
Adopted the exchange rate of HKD1.00 : RM0.5334, being the closing rate as at 3 June 2016 published by Bank Negara.
- 2) The proceeds balance is expected to be utilised within the timeframe from the receipt of the proceeds.
 - 3) Any shortfall in the funds allocated for specific purpose will be funded from the funds allocated for other approved purposes.
 - 4) Any unutilised proceeds have been placed in short term deposits until such relevant expenses have been identified.
 - 5) The excess fund arising after special dividend payment and settlement of bank borrowings which is no longer required subsequently, have been utilised for the Group's project and/or operating expenses.

LBS BINA GROUP BERHAD (518482-H)

B8. Borrowings and debt securities

Total Group borrowings and debt securities as at 31 March 2017 were as follows: -

	Secured RM'000
<u>Short term borrowings</u>	
Finance lease payables	2,101
Bank overdrafts	83,277
Bank borrowings	<u>220,795</u>
Total short term borrowings	<u>306,173</u>
<u>Long term borrowings</u>	
Finance lease payables	3,707
Bank borrowings	<u>362,589</u>
Total long term borrowings	<u>366,296</u>
Total borrowings	<u>672,469</u>

Currency exposure profile of borrowings were as follows:-

	Secured RM'000
Ringgit Malaysia	667,736
United States Dollar	<u>4,733</u>
	<u>672,469</u>

B9. Changes in material litigation

There was no material litigation as at 23 May 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

B10. Dividend declared

No dividend has been declared for the quarter under review.

B11. Earnings per share ("EPS")

Basic EPS

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

	Current year to date 31.03.2017	Preceding year to date 31.03.2016
Net profit attributable to owners of the Company (RM'000)	<u>24,773</u>	<u>16,861</u>
Weighted average number of ordinary shares in issue ('000)	<u>647,754</u>	<u>551,280</u>
Basic EPS (sen)	<u>3.82</u>	<u>3.06</u>

LBS BINA GROUP BERHAD (518482-H)**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 Company and divided by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining options under Warrants and the ESOS granted, adjusted for the number of such shares that would have been issued at fair value:-

	Current year to date 31.03.2017	Preceding year to date 31.03.2016
Net profit attributable to owners of the Company (RM'000)	24,773	16,861
Adjusted weighted average number of ordinary shares in issue ('000)	670,775	586,132
Diluted EPS (sen)	3.69	2.88

B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current Year Quarter 31.03.2017 RM'000	Current Period To Date 31.03.2017 RM'000
Bad debts written off	(330)	(330)
Depreciation of :		
- Investment properties	(213)	(213)
- Property, plant and equipment	(4,048)	(4,048)
Allowance for impairment loss on :		
- Goodwill arising on consolidation	(450)	(450)
Property, plant and equipment written off	(34)	(34)
Share-based payment	(1,221)	(1,221)
Net foreign exchange loss	(19)	(19)
Net (loss) / gain on disposal of :		
- Financial assets at fair value through profit or loss	(11)	(11)
- Property, plant and equipment	110	110
- Subsidiary Companies	778	778
Dividend income from		
financial assets at fair value through profit or loss	27	27
Reversal of allowance for impairment loss on receivables	87	87
Reversal on contingency sum provided in prior years	2,997	2,997
Waiver of debts	279	279

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

	Unaudited 31.03.2017 RM'000	Audited 31.12.2016 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiary companies:		
- Realised	939,749	900,532
- Unrealised	<u>23,183</u>	<u>28,936</u>
	<u>962,932</u>	<u>929,468</u>
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	<u>(588)</u>	<u>(562)</u>
	962,344	928,906
Less : Consolidation adjustments	<u>(434,109)</u>	<u>(425,444)</u>
Total Group retained profits as per consolidated accounts	<u><u>528,235</u></u>	<u><u>503,462</u></u>

The disclosure of realised and unrealised profits / (losses) above is solely for compliance with the directive issue by the Bursa 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
30 May 2017