



# TAYLOR'S UNIVERSITY

Wisdom • Integrity • Excellence

**SCHOOL OF ARCHITECTURE, BUILDING AND DESIGN**

**Foundation of Natural and Built Environments (FNBE)**

**Basic Accounting [ACC30205]**

**Assignment:** Financial Ratio Analysis

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## Historical Background

LEADING property developer, LBS Bina Group Berhad (LBS) started from humble beginnings as a small construction company 33 years ago, by a family of four brothers. Today it is one of the most successful developers in Malaysia, having built more 30,000 homes over the past three decades and still going strong - hitting their current target of RM1 billion in property sales in 2015. Helming the success of the company is the astute Managing Director Tan Sri Lim Hock San and his visionary leadership. Looking calm and in control, Lim seemed unperturbed by the speculation of property slump, due to the current economic climate, and negative reports in social media.

Looking far into the horizon, Lim is optimistic and believes there is always a silver lining, which is the vision the company has held for years – Believe, Become, Behold; and he believes that country is not in such a bad as it seems, despite the naysayers. Lim said: “Decent, affordable, and secure homes are fundamental to family and community life. This has propelled LBS to do everything we can to ensure this project provides opportunities for Malaysians to have a home that is not only strategically located, comfortable and at the same time a valuable asset for the family.

“At LBS Bina Group, we believe that property development is never just about bricks and mortar, it is about providing the means for fellow Malaysians to fulfill their inherent quest for betterment - to reach for higher quality of living, better experiences, peace of mind and the need to belong in a better community,” as he outlined their mission statement:

“Our Vision: To be an internationally recognised developer enhancing community living by building and inspiring delightful spaces, and Our Mission: To consistently deliver exceptional performance through progressive creations, realising value to all stakeholders and enriching communities at large.”

The LBS journey began in the 1980s as a construction business, inspired by the vision of its founder Dato’ Seri Lim Bock Seng. After a decade of rapid growth, LBS ventured into the property development sector in 1992 where it started its first project of Jelapang Maju Light Industrial Park in Ipoh. The date of incorporation of this company is 29 June 2000. Lim joined the family business soon after completing his BSC Civil Engineering with 1st Class Hons 1982 from University of Wales. Recounting his early days, Lim said he helped his dad to go collect debts around Taman Cempaka area. “As I moved around, I saw a big demand for affordable properties amongst the low and medium income group and I thought we should take the business upstream into property development. Although it was challenging, we slowly worked our way there, and there was no turning back”.

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Another project by LBS in the early years was the 70-acre industrial park in Seri Kembangan which was completed within 5 years, and they soon began to invest in more land as the demand for property was there, and built many houses in Seri Kembangan and Balakong areas. Within a few years, its stable of projects established LBS as a reputable developer and a dominant player in Malaysia's property sector.

Soon the name LBS became popular among the residents and many people were happy with the quality of homes built, and the company gained a good reputation among the Chinese community there. Part of the credit goes to the visionary patriarch of LBS, having groomed, educated and instilled in his family the values of respect, hard work with good business acumen as well as giving back to community.

"In the 80s, we built low to medium cost houses all the way, and we were known as 'Champion of middle-cost houses' but today we focus more on comfortable and medium cost houses, depending on the location. When we started, we tried to convince people to buy our houses, but today, we don't need to do that anymore because people know who we are. We take pride in building affordable homes, but there must also be profit," added Lim.

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## **Recent Development**

Throughout the years, LBS Bina Berhad has launched 14 projects in total. The key project contributors are located at Klang Valley, contributing 84% of the total sales. Bandar Saujana Putra, one of the most significant contributors, has launched BSP 21, BSP Village, BSP Rumah Selangorku. Meanwhile D' Island Residence launched Corallia, Skyvilla and Nautilus.

On 19 September 2015, for International business wise, the bilateral relationship between Malaysia-China is strengthened when Zhu Xiaodan, Governor of Guangdong Province came for official visit, co-witnessing with TYT Tun Datuk Seri Utama Mohd Khalil B. Yaakob the MOU signed between LBS Bina Group Berhad and Zhuhai Jiuzhou Holdings Group Berhad Corporation Limited for the "Zhuhai International Circuit Upgrading and Transformation Plan".

In 2015, property developer LBS Bina Group Berhad (LBS) clinched three awards at the regional Asia Pacific Property Awards (APPA) 2015. They have received these awards from APPA three years in a row (year 2013, 2014 and 2015) and has proved that they were on the right track on achieving their vision become an internationally recognised developer. The awards celebrate the highest levels of achievement by companies operating in all sectors of the property and real estate industry in the region. LBS has bagged the top award for three categories, which are the Five-Star Development Marketing award for its Bandar Saujana Putra (BSP) Township, the Five Star Architecture Single Residence for its Barrington Homes, and Highly Commended Apartment for its BSP21 development.

Bandar Saujana Putra (BSP), launched in 2003, is a mature township with 8,400 properties completed to-date with a population of 30,000 that is still growing. BSP encourages integration in the community by developing recreational parks, sporting facilities, surau and shops. It is strategically located near a developing education hub, medical centres, police station and petrol station.

The company's Barrington Homes project is a 3-storey semi-detached development in Cameron Golden Hills. It is designed to provide luxurious modern homes built in a Tudor architectural style. The company says the development complements the nature surrounding Cameron Golden Hills and is designed to be the ideal country getaway destination away from today's hectic city living.

The company's BSP21 development, comprising 10 blocks of serviced residences, is situated on 21 acres of land within the maturing BSP township. BSP21 is designed with singles and young families in mind. The company says the project is the first in Klang Valley to such an extensive range of lifestyle-inspired facilities.

On 12 November 2015, a Signing Framework Agreement in relation to the products and service coupled with interest free vendor financing services offered with the credit limit up to

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RM300mil between Mr Koh Mui Tee, Stone Master Corporation Berhad and Dato' Alan Chia Lok Yuen, LBS Bina Group Berhad.

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## Ratio Analysis of the business based on 2012 & 2011

### Profitability Ratio

<b>Profitability Ratios</b>	<b>2012</b>	<b>2013</b>	<b>Interpretation</b>
Return on Enquity (ROE)	$\frac{\text{net profit}}{\text{avg. owner's equity}} \times 100$ $= \frac{39,003,430}{516,690,656.5} \times 100$ <p style="text-align: center;"><b>= 7.55%</b></p>	$\frac{\text{net profit}}{\text{avg. owner's equity}} \times 100$ $= \frac{397,323,654}{699,735,858} \times 100$ <p style="text-align: center;"><b>= 56.78%</b></p>	During the year 2011 to 2012, the ROE has increased massively from 7.55% to 56.78%. This means the owner is receiving a higher earning on his capital in the year 2013 than 2012.
Net Profit Margin (NPM)	$\frac{\text{net profit}}{\text{net sales}} \times 100$ $= \frac{39,003,430}{509,644,355} \times 100$ <p style="text-align: center;"><b>= 7.65%</b></p>	$\frac{\text{net profit}}{\text{net sales}} \times 100$ $= \frac{397,323,654}{533,532,722} \times 100$ <p style="text-align: center;"><b>= 74.47%</b></p>	Between the period of 2011 to 2012, the NPM has increased from 7.65% to 74.47% which means the business is getting better at controlling expenses. When NPM is higher, the overall expenses are low, the business earns high profit.
Gross Profit Margin (GPM)	$\frac{\text{gross profit}}{\text{net sales}} \times 100$ $= \frac{146,227,906}{509,644,355} \times 100$ <p style="text-align: center;"><b>= 28.69%</b></p>	$\frac{\text{gross profit}}{\text{net sales}} \times 100$ $= \frac{168,577,154}{533,532,722} \times 100$ <p style="text-align: center;"><b>= 31.60%</b></p>	GPM has increased from 28.69% to 31.60% in the period of 2012 to 2013. High GPM means that the GOGS expense is well-managed. In 2013, GPM is higher than in 2012, which results in a higher gross profit, and a higher net profit margin (NPM) as well.

<p>General Expense Ratio (GER)</p>	$\frac{\text{total general expense}}{\text{net sales}} \times 100$ $= \frac{67,470,147}{509,644,355} \times 100$ <p>= <b>13.24%</b></p>	$\frac{\text{total general expense}}{\text{net sales}} \times 100$ $= \frac{85,596,945}{533,532,722} \times 100$ <p>= <b>16.04%</b></p>	<p>Between the years 2011 to 2012, the GER increased from 13.24% to 16.04%. A higher GER means the business is getting worse at controlling general expenses. It would result in a lower NPM.</p>
<p>Financial Expense Ratio (FER)</p>	$\frac{\text{total financial expense}}{\text{net sales}} \times 100$ $= \frac{18,457,247}{509,644,355} \times 100$ <p>= <b>3.62%</b></p>	$\frac{\text{total financial expense}}{\text{net sales}} \times 100$ $= \frac{15,170,850}{533,532,720} \times 100$ <p>= <b>2.84%</b></p>	<p>During the period, FER has decreased from 3.8% to 2.8%, which indicates that the business is getting better at controlling financial expenses. A lower FER would increase NPM.</p>

## Stability Ratio

Stability Ratios	2012	2013	Interpretation
Working Capital Ratio (WCR)	$\frac{\text{total current asset}}{\text{total current liabilities}}$ $= \frac{927,829,389}{520,720,661}$ <p>= <b>1.78 : 1</b></p>	$\frac{\text{total current asset}}{\text{total current liabilities}}$ $= \frac{925,492,766}{609,599,483}$ <p>= <b>1.52 : 1</b></p>	From 2012 to 2013, WCR has decreased from 1.78:1 to 1.52:1. For every RM1 of current liabilities, LBS has 1.78 of current asset in 2011 and 1.52 in 2012 to pay for the current liabilities. The business still has the ability to pay back, however it does not satisfy the minimum 2:1 ratio.
Total Debt Ratio (TDR)	$\frac{\text{total liabilities}}{\text{total asset}} \times 100$ $= \frac{908,176,834}{1,435,008,317} \times 100$ <p>= <b>63.29%</b></p>	$\frac{\text{total liabilities}}{\text{total asset}} \times 100$ $= \frac{1137,172,437}{2,009,812,670} \times 100$ <p>= <b>56.58%</b></p>	From 2012 to 2013, TDR has decreased from 63.29% to 56.58%. As the result, owner's equity in 2013 is higher than in 2012, which are 36.71% and 43.42% respectively. The business has exceeded the safe level of debt which is not more than 50%. A business with TDR that exceeds 50% would be considered as having higher risk of going bankrupt.
Inventory Turnover Ratio (ITR)	$365 \div \left[ \frac{\text{COGS}}{\text{avg. inventory}} \right]$ $= 365 \div \left[ \frac{363,416,449}{(13,593,510 + 17,850,045) \div 2} \right]$ <p>= <b>23 days</b></p>	$365 \div \left[ \frac{\text{COGS}}{\text{avg. inventory}} \right]$ $= 365 \div \left[ \frac{364,955,568}{(22,575,116 + 13,593,510) \div 2} \right]$ <p>= <b>20 days</b></p>	In 2012, the business takes 23 days to sell all the goods. In 2013, it takes shorter time which is 20 days to sell out. From 2012 to 2013, the goods are sold out in a rapid speed, generating more cash to pay off its liabilities.



Interest Coverage Ratio (ICR)	$\frac{\text{interest expense} + \text{net profit}}{\text{interest expense}}$ $= \frac{67,470,147 + 39,003,430}{67,470,147}$ <p><b>= 1.58 times</b></p>	$\frac{\text{interest expense} + \text{net profit}}{\text{interest expense}}$ $= \frac{85,596,945 + 38,053,067}{85,596,945}$ <p><b>= 1.44 times</b></p>	<p>In 2012, ICR is higher than in 2013 which are 1.58 times and 1.44 times respectively. The business can pay its interest expenses for 1.58 times in 2012, while it pays 1.44 times in 2013. To avoid bankruptcy, ICR for a business should never fall below 5 times. It means that the business has the high risk of facing the bankruptcy problem.</p>
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## Price/Earning Ratio

Price/Earning	2012	2013	Interpretation
P/E Ratio	$\frac{\text{Current share price}}{\text{Earnings per share}} = \frac{0.86}{0.097} = 8.87 \text{ years}$	$\frac{\text{Current share price}}{\text{Earnings per share}} = \frac{1.55}{0.96} = 1.61 \text{ years}$	<p>The expensiveness share price of LBS company is measured by using P/E ratio. The share price at 2012 year is 0.86 and for 2013 is 1.55. The different between two share price is 7.26 which is a huge different. Investor should purchase share at the year of 2013, so the share price is lower compare to the year of 2012.</p>

### LBS Bina Group Bhd (5789.KL)



## FTSE Bursa Malaysia KLCI (^KLSE)



Based on the graph above, it shows the share price for LBS Bina Group Bhd and index for FTSE Bursa Malaysia KLCI. To decide which company has a greater potential to be invested, research of the change of share price of both companies is taken. Three points of the change of share prices at different points of time are chosen to be investigated between the period of Feb 2015 to Feb 2016.

The first point for us to investigate is on 5th of August 2015. At this point, the share price for LBS is 14800 and for the index of FTSE Bursa Malaysia KLCI is 1725.56. There is a sudden decrease in the share price of both companies. The share price of LBS decreases from 14800 to 12800 ( $(12800-14800)/14800 = -0.135$ ) and for the index of KLCI decreases from 1725.56 to 1609.93 ( $(1609.93-1725.56)/1725.56 = -0.067$ ). The result shows that the performance of LBS company is worse than the index of FTSE Bursa Malaysia KLCI.

The second point for us to investigate is on 1st of September 2015. At this point, the share price of LBS company experiences a sudden increase. The share price on 1st of September is 12800 and it increases to 15100, ( $(15100-12800)/12800 = 0.180$ ). For the index of KLCI, the index of KLCI decreases to 1602.75 ( $(1602.75-1609.21)/1609.21 = -0.04$ ). This shows that the performance of LBS is better than the index of KLCI.

The third point to investigate is on 23rd of September. At this point, the share price of LBS company is at 15100 while the KLCI index is at 1613.17. LBS share price decreases over the

month and reached 14100,  $(14100-15100)/15100=-0.066$ . But for the KLCI index it increased to 1716.82,  $(1716.82-1613.17)/1613.17=0.06425$ . In this case, LBS performance is worse than KLCI.

The last point to investigate is on 5<sup>th</sup> of June. At the point, the share price for LBS is company is at 16400. It decreased to 16000,  $(16000-16400)/16400=-0.0243$ . But for the the index of KLCI is at the point of 1745.33 and it decreased to 1729.05,  $(1729.05-1745.33)/1745.33=-0.093$ . Although both company experienced a decrease in share point but LBS has a better performance than KLCI as it drop lesser then KLCI.

The result show that LBS company experienced decrease in the share price. It also are not stable in the share point as we can observed there are a huge change of share price occurs at 5 of August 2015. Although, it experienced decrease but it soon repel back at the end of the year. Compare to index of KLCI, although KLCI also experienced in continuous decrease but it turn repel back at the end of the year. The index of KLCI also seem to be more stable. From the research we knew that the whole economy of the nation turn really bad at the year of 2015 and the decrease of LBS is cause by the bad of economy of the nation but not its own factors. Hence, LBS is still recommended to invest.

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## Recommendation

Based on the study of profitability ratio of LBS company, the Return on Equity (ROE), Net Profit Margin (NPM) and Gross Profit Margin (GPM) have been surprisingly increased during the period of 2012 to 2013. This brings the meaning of the business is growing well. Although the general expenses (GER) have been increased for about 3% it does not bother too much on the overall profit of the business. The Financial Expense Ratio (FER) have been decreased over the year and this means the profit earned is higher as the money spent in financial expenses is lower.

LBS company's ability to pay off its current liability had decreased from 1.78:1 to 1.52:1. It turns to be far more difficult to achieve the ratio of 2:1 to make sure it can constantly pay off the debt. Furthermore, Total Debt Ratio (TDR) of LBS company decreased from 63.29% to 56.58%, this is a positive sign as the lower the total debt ratio, the lower the risk to go bankrupt.

Although the Total Debt Ratio (TDR) had decreased but it still maintains at 56.58% which is a ratio that is higher than 50% and this means it still has a high risk to go bankrupt. The Inventory Turnover Ratio (ITR) had decreased from 23 days to 20 days this means LBS uses a shorter time to sell out their product and this helps to generate more cash flow and make LBS more profitable. Interest Coverage Ratio (ICR) of LBS has shown a decrease in its ability to pay off debt. It drops from 1.58 times to 1.44 times and 1.44 times is a danger ratio that is under 5 times per year as the company may not be able to pay its debt and causing it to go bankrupt.

LBS has earned more profit at the year of 2013 than 2012 as it has demonstrated a decrease in profitability and stability and it sells its share at a cheaper price. A P/E ratio of 0.016 indicates that an investor will need to wait for 0.016 years to recoup his investment. LBS company has shown a positive sign in terms of their growth in revenue which can be observed from the profitability ratio, so investors are worth investing in them.

In the early year of 2014, the share price of LBS is maintained at a high level and it also constantly increases so investors should buy their share in the early year of 2014. But at the end of the year the share price experienced a decrease which means it is not making much profit at that time so it is not worth investing at the end of 2014. But at the year of 2014 KLCI index is still increasing so it is proven that it is the internal factor that causes LBS share price to fall but not because of the economy.

For the year of 2015, investors are not recommended to buy their stock as it is decent for the whole. LBS is not earning profit at this year as well as the KLCI and this can be concluded that the LBS share price is affected by the bad economy of the nation. Hence, investors are not recommended to buy their stock.

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## Appendices

### Balance Sheet 2012

#### STATEMENTS OF FINANCIAL POSITION

As At 31 December 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Non-Current Assets</b>					
Property, plant and equipment	3	15,333,394	214,116,458	-	-
Capital work-in-progress	4	1,746,404	6,744,696	-	-
Land and property development costs	5	337,685,834	484,574,939	-	-
Investment properties	6	6,440,760	5,250,849	-	-
Investment in subsidiary companies	7	-	-	393,366,006	393,366,006
Investment in associated companies	8	2,701,763	2,585,803	-	-
Trade receivables	9	17,127,716	23,520,000	-	-
Other receivables	10	21,539,700	22,271,340	-	-
Other investments	11	1,253,500	1,253,500	-	-
Goodwill on consolidation	12	103,237,357	120,487,772	-	-
Deferred tax assets	13	112,500	-	-	-
		507,178,928	880,805,357	393,366,006	393,366,006

## STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 31 December 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Current Assets</b>					
Land and property development costs	5	69,429,333	70,517,684	-	-
Inventories	14	13,593,510	17,850,045	-	-
Amount owing by customers on contracts	15	592,519	411,541	-	-
Accrued billing in respect of property development costs		110,492,774	140,390,750	-	-
Trade receivables	9	158,381,593	134,689,207	-	-
Other receivables	10	21,755,708	87,538,718	4,500	10,586,198
Tax recoverable		4,533,323	5,449,921	3,839,550	2,846,043
Amount owing by subsidiary companies	16	-	-	66,231,446	134,234,568
Fixed deposits with licensed banks	17	40,203,331	28,900,452	38,645,711	27,510,000
Cash held under Housing Development Accounts	18	36,936,008	37,663,632	-	-
Cash and bank balances	19	19,957,526	65,269,134	938,771	3,951,566
		<u>475,875,625</u>	<u>588,681,084</u>	<u>109,659,978</u>	<u>179,128,375</u>
Non-current assets classified as held for sale	20	4,679,036	-	-	-
Assets of disposal group classified as held for sale	21	447,274,728	-	-	-
		<u>475,875,625</u>	<u>588,681,084</u>	<u>109,659,978</u>	<u>179,128,375</u>
<b>Total Current Assets</b>		<b>927,829,389</b>	<b>588,681,084</b>	<b>109,659,978</b>	<b>179,128,375</b>
<b>Total Assets</b>		<b>1,435,008,317</b>	<b>1,469,486,441</b>	<b>503,025,984</b>	<b>572,494,381</b>

## STATEMENTS OF FINANCIAL POSITION

As At 31 December 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	22	386,552,557	386,552,557	386,552,557	386,552,557
Share premium	23	16,945,016	16,945,016	16,945,016	16,945,016
Treasury shares	24	(4,406,841)	-	(4,406,841)	-
Other reserves	25	(21,280,284)	(17,561,024)	18,211,178	15,513,236
Retained profits/ (Accumulated losses)		67,294,676	36,598,771	(117,666,285)	(119,741,415)
Equity attributable to owners of the parent		445,105,124	422,535,320	299,635,625	299,269,394
Non-controlling interest		81,726,359	84,014,510	-	-
<b>Total Equity</b>		<b>526,831,483</b>	<b>506,549,830</b>	<b>299,635,625</b>	<b>299,269,394</b>
<b>Non-Current Liabilities</b>					
Islamic Securities	26	75,000,000	135,000,000	75,000,000	135,000,000
Bank borrowings	27	223,085,243	245,268,985	58,405,090	107,582,436
Trade payables	28	27,543,768	23,970,259	-	-
Other payables	29	59,420,085	68,423,125	-	-
Finance lease payables	30	2,293,307	2,168,310	-	-
Deferred tax liabilities	31	113,770	77,770,264	-	-
		387,456,173	552,600,943	133,405,090	242,582,436



## STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 31 December 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
<b>Current Liabilities</b>					
Amount owing to customers on contracts	15	2,249,721	2,702,911	-	-
Progress billing in respect of property development costs		37,872,583	18,387,391	-	-
Trade payables	28	124,889,517	109,295,686	-	-
Other payables	29	112,747,265	142,129,271	1,511,516	2,887,271
Bank overdrafts	32	28,587,302	39,845,877	8,448,930	7,941,107
Finance lease payables	30	963,404	844,091	-	-
Bank borrowings	27	99,398,562	56,486,431	57,632,622	18,781,690
Amount owing to subsidiary companies	16	-	-	2,392,201	1,032,483
Tax payable		36,367,629	40,644,010	-	-
		443,075,983	410,335,668	69,985,269	30,642,551
Liabilities of disposal group classified as held for sale	21	77,644,678	-	-	-
<b>Total Current Liabilities</b>		520,720,661	410,335,668	69,985,269	30,642,551
<b>Total Liabilities</b>		908,176,834	962,936,611	203,390,359	273,224,987
<b>Total Equity and Liabilities</b>		1,435,008,317	1,469,486,441	503,025,984	572,494,381

The accompanying notes form an integral part of the financial statements.

## P & L Statement 2012

### STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2012

	Note	Group		Company	
		2012 RM	2011 RM (restated)	2012 RM	2011 RM
<b>Continuing operations</b>					
Revenue	33	509,644,355	425,295,150	21,610,560	19,095,840
Cost of sales	34	(363,416,449)	(293,850,497)	-	-
<b>Gross profit</b>		146,227,906	131,444,653	21,610,560	19,095,840
Other income		14,815,295	6,238,738	1,966,191	1,726,566
Operating expenses		(67,470,147)	(52,532,273)	(4,858,275)	(2,293,769)
<b>Profit from operations</b>		93,573,054	85,151,118	18,718,476	18,528,637
Finance costs	35	(18,457,247)	(17,182,944)	(5,735,301)	(7,081,883)
Share of losses in associated companies		(101,547)	(223,734)	-	-
<b>Profit before taxation</b>	36	75,014,260	67,744,440	12,983,175	11,446,754
Taxation	37	(27,220,567)	(25,752,578)	(4,320,717)	(3,520,378)
<b>Profit from continuing operations</b>		47,793,693	41,991,862	8,662,458	7,926,376
<b>Discontinued operations</b>					
Loss from discontinued operations	21	(8,790,263)	(3,938,795)	-	-
<b>Profit for the financial year</b>		39,003,430	38,053,067	8,662,458	7,926,376
<b>Other comprehensive income</b>					
Foreign currency translation differences on foreign operation		(7,194,894)	17,859,169	-	-
<b>Total comprehensive income for the financial year</b>		31,808,536	55,912,236	8,662,458	7,926,376

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

For The Financial Year Ended 31 December 2012

Note	Group		Company	
	2012 RM	2011 RM (restated)	2012 RM	2011 RM
<b>Profit for the financial year attributable to:</b>				
Owners of the parent	37,159,515	34,299,755	8,662,458	7,926,376
Non-controlling interest	1,843,915	3,753,312	-	-
	<u>39,003,430</u>	<u>38,053,067</u>	<u>8,662,458</u>	<u>7,926,376</u>
<b>Total comprehensive income for the financial year attributable to:</b>				
Owners of the parent	31,414,189	46,388,243	8,662,458	7,926,376
Non-controlling interest	394,347	9,523,993	-	-
	<u>31,808,536</u>	<u>55,912,236</u>	<u>8,662,458</u>	<u>7,926,376</u>
<b>Earnings per share attributable to the owners of the parent (sen)</b>				
Basic earnings per share	38(a)			
Profit from continuing operations		11.14	9.57	
Loss from discontinued operations		(1.44)	(0.70)	
Total		<u>9.70</u>	<u>8.87</u>	
Diluted earnings per share	38(b)			
Profit from continuing operations		11.14	9.57	
Loss from discontinued operations		(1.44)	(0.70)	
Total		<u>9.70</u>	<u>8.87</u>	

The accompanying notes form an integral part of the financial statements.

# Balance Sheet 2013

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LBS BINA GROUP BERHAD  
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## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Non-Current Assets</b>					
Property, plant and equipment	4	212,749,463	15,333,394	-	-
Capital work-in-progress	5	3,306,077	1,746,404	-	-
Land and property development costs	6	392,462,614	337,685,834	-	-
Investment properties	7	6,524,170	6,440,760	-	-
Investment in subsidiary companies	8	-	-	393,366,006	393,366,006
Investment in associate companies	9	2,993,256	2,701,763	-	-
Trade receivables	10	13,726,217	17,127,716	-	-
Other receivables	11	-	21,539,700	-	-
Promissory note	12	219,098,880	-	-	-
Other investments	13	138,449,101	1,253,500	-	-
Goodwill on consolidation	14	94,154,754	103,237,357	-	-
Deferred tax assets	15	855,372	112,500	-	-
<b>Total Non-Current Assets</b>		<b>1,084,319,904</b>	<b>507,178,928</b>	<b>393,366,006</b>	<b>393,366,006</b>
<b>Current Assets</b>					
Land and property development costs	6	237,730,432	69,429,333	-	-
Inventories	16	22,575,116	13,593,510	-	-
Amount owing by customers on contracts	17	-	592,519	-	-
Accrued billing in respect of property development costs		71,047,149	110,492,774	-	-
Trade receivables	10	174,316,241	158,381,593	-	-
Other receivables	11	23,496,646	21,755,708	7,088	4,500
Promissory note	12	100,573,440	-	-	-
Tax recoverable		5,712,285	4,533,323	3,396,999	3,839,550
Amount owing by subsidiary companies	18	-	-	65,940,805	66,231,446
Fixed deposits with licensed banks	19	152,756,932	40,203,331	24,486,520	38,645,711
Cash held under Housing Development Accounts	20	57,977,521	36,936,008	-	-
Cash and bank balances	21	78,610,013	19,957,526	751,244	938,771
		<b>924,795,775</b>	<b>475,875,625</b>	<b>94,582,656</b>	<b>109,659,978</b>
Non-current assets classified as held for sale	22	696,991	4,679,036	-	-
Assets of disposal group classified as held for sale	23	-	447,274,728	-	-
<b>Total Current Assets</b>		<b>925,492,766</b>	<b>927,829,389</b>	<b>94,582,656</b>	<b>109,659,978</b>
<b>Total Assets</b>		<b>2,009,812,670</b>	<b>1,435,008,317</b>	<b>487,948,662</b>	<b>503,025,984</b>

## STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 31 DECEMBER 2013

Note	Group		Company		
	2013 RM	2012 RM	2013 RM	2012 RM	
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	24	479,651,357	386,552,557	479,651,357	386,552,557
Share premium	25	26,641,899	16,945,016	26,641,899	16,945,016
Treasury shares	26	(9,541,438)	(4,406,841)	(9,541,438)	(4,406,841)
Other reserves	27	(42,942,110)	(21,280,284)	15,196,581	18,211,178
Retained profits/(Accumulated losses)		415,847,590	67,294,676	(105,153,326)	(117,666,285)
Equity attributable to owners of the parent		869,657,298	445,105,124	406,795,073	299,635,625
Non-controlling interests		2,982,935	81,726,359	-	-
<b>Total Equity</b>		<b>872,640,233</b>	<b>526,831,483</b>	<b>406,795,073</b>	<b>299,635,625</b>
<b>Non-Current Liabilities</b>					
Islamic Securities	28	30,000,000	75,000,000	30,000,000	75,000,000
Bank borrowings	29	287,969,337	223,085,243	567,085	58,405,090
Trade payables	30	119,328,319	27,543,768	-	-
Other payables	31	47,432,572	59,420,085	-	-
Finance lease payables	32	3,303,044	2,293,307	-	-
Deferred tax liabilities	33	39,539,682	113,770	-	-
<b>Total Non-Current Liabilities</b>		<b>527,572,954</b>	<b>387,456,173</b>	<b>30,567,085</b>	<b>133,405,090</b>
<b>Current Liabilities</b>					
Amount owing to customers on contracts	17	3,612,851	2,249,721	-	-
Progress billing in respect of property development costs		77,221,417	37,872,583	-	-
Trade payables	30	199,457,872	124,889,517	-	-
Other payables	31	256,536,875	112,747,265	1,484,980	1,511,516
Bank overdrafts	34	761,587	28,587,302	120,561	8,448,930
Finance lease payables	32	1,019,477	963,404	-	-
Bank borrowings	29	60,035,307	99,398,562	-	57,632,622
Amount owing to subsidiary companies	18	-	-	48,980,963	2,392,201
Tax payable		10,954,097	36,367,629	-	-
Liabilities of disposal group classified as held for sale	23	609,599,483	443,075,983	50,586,504	69,985,269
		-	77,644,678	-	-
<b>Total Current Liabilities</b>		<b>609,599,483</b>	<b>520,720,661</b>	<b>50,586,504</b>	<b>69,985,269</b>
<b>Total Liabilities</b>		<b>1,137,172,437</b>	<b>908,176,834</b>	<b>81,153,589</b>	<b>203,390,359</b>
<b>Total Equity and Liabilities</b>		<b>2,009,812,670</b>	<b>1,435,008,317</b>	<b>487,948,662</b>	<b>503,025,984</b>

The accompanying notes form an integral part of the financial statements.

## P & L Statement 2013

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LBS BINA GROUP BERHAD  
ANNUAL REPORT 2013

### STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Continuing operations</b>					
Revenue	35	533,532,722	509,644,355	74,168,426	21,610,560
Cost of sales	36	(364,955,568)	(363,416,449)	-	-
<b>Gross profit</b>		168,577,154	146,227,906	74,168,426	21,610,560
Other income		359,117,909	14,815,295	4,618,973	1,966,191
Operating expenses		(85,596,945)	(67,470,147)	(8,794,630)	(4,858,275)
<b>Profit from operations</b>		442,098,118	93,573,054	69,992,769	18,718,476
Finance costs	37	(15,170,850)	(18,457,247)	(4,626,563)	(5,735,301)
Share of losses in associate companies		(25,347)	(101,547)	-	-
<b>Profit before taxation</b>	38	426,901,921	75,014,260	65,366,206	12,983,175
Taxation	39	(32,886,164)	(27,220,567)	(8,621,200)	(4,320,717)
<b>Profit from continuing operations</b>		394,015,757	47,793,693	56,745,006	8,662,458
<b>Discontinued operations</b>					
Profit/(Loss) from operations	23	3,307,897	(8,790,263)	-	-
<b>Net profit for the financial year</b>		397,323,654	39,003,430	56,745,006	8,662,458
<b>Other comprehensive income</b>					
Foreign currency translation differences on foreign operation		13,682,663	(7,194,894)	-	-
Transaction with non-controlling interests		271,036	-	-	-
		13,953,699	(7,194,894)	-	-
<b>Total comprehensive income for the financial year</b>		411,277,353	31,808,536	56,745,006	8,662,458

**STATEMENTS OF  
COMPREHENSIVE INCOME (Cont'd)**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Note	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Net profit for the financial year attributable to:</b>				
Owners of the parent	392,662,537	37,159,515	56,745,006	8,662,458
Non-controlling interests	4,661,117	1,843,915	-	-
	<b>397,323,654</b>	<b>39,003,430</b>	<b>56,745,006</b>	<b>8,662,458</b>
<b>Total comprehensive income for the financial year attributable to:</b>				
Owners of the parent	399,978,862	31,414,189	56,745,006	8,662,458
Non-controlling interests	11,298,491	394,347	-	-
	<b>411,277,353</b>	<b>31,808,536</b>	<b>56,745,006</b>	<b>8,662,458</b>
<b>Earnings per share attributable to the owners of the parent (sen)</b>				
<b>Basic earnings per share</b>	40(a)			
Profit from continuing operations	95.40	11.14		
Profit/(Loss) from discontinued operations	0.69	(1.44)		
Total	<b>96.09</b>	<b>9.70</b>		
<b>Diluted earnings per share</b>	40(b)			
Profit from continuing operations	91.39	11.14		
Profit/(Loss) from discontinued operations	0.66	(1.44)		
Total	<b>92.05</b>	<b>9.70</b>		

The accompanying notes form an integral part of the financial statements.

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