

LBI CAPITAL BERHAD
 (Company No. : 41412-X)
Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 31 Dec 2013 RM'000	Audited As at preceding Financial Year End 31 Dec 2012 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,946	2,103
Investment Properties	28,129	28,129
Investment in Associated Co.	50	50
Other Receivable	634	1,054
Other Investment	2,239	2,955
Development Expenditure	23,260	14,333
	57,258	48,624
Current Assets		
Inventories	2,114	2,132
Property Development Expenditure	57,833	51,914
Trade Receivables	13,256	1,097
Other Receivables	1,611	2,037
Accrued Billings	0	10,671
Amount Owing by an Associate Company	1,450	1,450
Tax Recoverable	24	428
Fixed Deposits	95	7,422
Cash held under Housing Development Act	415	711
Cash and Bank balances	1,494	1,297
	78,292	79,159
Total Assets	135,550	127,783

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent

Share Capital	64,246	62,389
Treasury Shares	(1)	(247)
Share Premium	105,508	105,508
Warrant Reserve	1,107	1,107
Accumulated Losses	(79,634)	(86,942)
	91,226	81,815
Non-controlling Interest	0	0
Total Equity	91,226	81,815

LBI CAPITAL BERHAD
 (Company No. : 41412-X)
 (Incorporated in Malaysia)
 Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 31 Dec 2013 RM'000	Audited As at preceding Financial Year End 31 Dec 2012 RM'000
Non-Current Liabilities		
Bank Borrowing	11,807	17,826
Deferred tax	158	125
	11,965	17,951
Current Liabilities		
Trade Payables	8,798	2,759
Progress Billings	6,760	2,607
Other Payables	2,040	1,484
Amount Owing to a Director	0	1,500
Amount Owing to Stakeholder Equity	8,000	10,000
Bank Borrowings	6,106	9,632
Tax Payable	655	35
	32,359	28,017
Total Liabilities	44,324	45,968
Total Equity and Liabilities	135,550	127,783
Net assets per share (RM)	1.42	1.31

The condensed Consolidated Balance Sheet should be read in conjunction with the Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2013 RM'000	Preceding Year Corresponding Quarter 31/12/2012 RM'000	Current Year To date 31/12/2013 RM'000	Preceding Year Corresponding Period 31/12/2012 RM'000
Revenue	11,229	4,637	45,048	46,659
Other Operating Incomes	1,493	7,683	2,586	8,222
Operating Expenses	(9,665)	(12,089)	(33,034)	(45,176)
Finance Costs	(71)	(254)	(984)	(1,154)
				296
Profit (Loss) before Taxation	<u>2,986</u>	<u>(23)</u>	<u>13,616</u>	<u>8,847</u>
Income Tax	(1,113)	65	(3,900)	(2,096)
Profit after Taxation	<u>1,873</u>	<u>42</u>	<u>9,716</u>	<u>6,751</u>
Attributable to:				
Equity holders	1,873	47	9,716	6,756
Non-controlling Interest	0	(5)	0	(5)
Profit for the Period	<u>1,873</u>	<u>42</u>	<u>9,716</u>	<u>6,751</u>
Profit for the Period	1,873	42	9,716	6,751
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u>1,873</u>	<u>42</u>	<u>9,716</u>	<u>6,751</u>

Total comprehensive income

Equity holders	1,873	47	9,716	6,756
Non controlling interest	0	(5)	0	(5)
	<u>1,873</u>	<u>42</u>	<u>9,716</u>	<u>6,751</u>

Earnings per share attributable to equity holders

Basic earnings/(loss) per share (sen)	3.0	0.1	15.3	10.9
Diluted earning/(loss) per share (sen)	3.0	0.1	15.3	10.9

The condensed consolidated Income Statement should be read in conjunction with the Financial Statements for the year ended 31 December 2012

LBI CAPITAL BERHAD
(Company No. : 41412-X)
Condensed Consolidated Statement of Changes in Equity

	←-----Non-Distributable-----→			Accumulated Losses	Treasury Shares	TOTAL	Non- Controlling Interest	Total Equity
	Share Capital	Share Premium	Warrant Reserve					
At 1 Jan. 2012	62,389	105,508	1,107	(91,386)	(247)	77,371	94	77,465
Net profit for the year				6,756		6,756	(5)	6,751
Interim Dividend				(2,327)		(2,327)	(75)	(2,402)
Changes in ownership of subsidiary				14		14	(14)	0
As at 31 Dec 2012	62,389	105,508	1,107	(86,943)	(247)	81,814	0	81,814
As at 1st Jan. 2013	62,389	105,508	1,107	(86,943)	(247)	81,814	0	81,814
Net profit for the year				9,716		9,716	0	9,716
Issue of Shares	1,857					1,857	0	1,857
Interim Dividend				(2,407)		(2,407)	0	(2,407)
Disposal of Treasury Shares					246	246	0	246
As at 31 Dec 2013	64,246	105,508	1,107	(79,634)	(1)	91,226	0	91,226

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 31 December 2012

LBI CAPITAL BERHAD
(Company No. : 41412-X)
Condensed Consolidated Cash Flow Statement

	12 months ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
Net cash generated from/(used in) operation activities	2,573	10,507
Net cash generated from/(used in) investing activities	(279)	(1,178)
Net cash generated from/(used in) financing activities	(8,653)	(1,853)
Net increase in cash and cash equivalent	<u>(6,359)</u>	<u>7,476</u>
Cash and cash equivalent at beginning of the year	8,008	531
Cash and cash equivalent at end of the period	<u><u>1,649</u></u>	<u><u>8,007</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	1,494	1,297
Cash held under Housing Development Accounts	415	711
Deposits with Licensed Banks	95	7,422
	<u>2,004</u>	<u>9,430</u>
Less: Fixed Deposit pledged to licensed banks	(95)	(1,422)
Overdraft	(260)	-
	<u><u>1,649</u></u>	<u><u>8,008</u></u>

The Condensed Consolidated cashflow statement should be read in conjunction with the Financial Statement for the Year ended 31 December 2012

A NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of the Group are unaudited and has been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

The accounting policies and methods of computation adopted by the Group in the preparation of the interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2012.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of the following new Malaysian Financial Reporting Standard ("MFRS") and Issues Committee Interpretation ("IC Interpretations") effective for financial period ended herein.

The new revised FRS, amendments to FRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1st January 2013 did not give rise to any significant effects on the Financial Statements of the Group except for the new standard below.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standard ("MFRS"). The MFRS framework is to be applied by all entities other than the 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 Agreement for Construction of Real Estate (IC Interpretation 15"), including its parent, significant investor and venture. (hereinafter called "Transitioning Entities").

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

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. The Group is currently assessing the implication and financial impact of transition to the MFRS framework. Its financial performance and financial position under the current reporting quarter could be different if its prepared under the MFRS framework.

A3. Auditors' Report

There were no qualifications on auditors' report of the audited financial statements for the financial year ended 31 December 2012.

A4. Seasonal or Cyclical Factors

The Group's operations are not subject to seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Other than those disclosed in the financial statements, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A6. Material Changes in Estimates

There were no material changes in estimate used for the preparation of the interim financial report.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the current financial year except for an issuance of 1,856,700 ordinary shares of RM1.00 each at par value arising from the conversion of its warrants.

A8. Dividend Paid

The Directors did not declare dividend during the current quarter. For financial year ended 31 Dec 2013, an interim dividend of 5% less 25% tax amounting to RM2,407,510 which was declared in the previous quarter, was paid on 10 October 2013.

A9. Segmental Report

The Group's principal business is property development and property investment within Malaysia. Hence no segmental report is presented.

A10. Valuation of Property, Plant and Equipment

Property, Plant and Equipment are stated at fair value less accumulated depreciation.

A11. Material Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of current quarter under review up to the date of this report which will likely to have substantial effect on the results of the operations of the Group except as disclosed on Note B11.

A12. Changes in the Composition of the Group

During the period, there is no change in the composition of the Group.

A13. Contingent Liabilities

	RM
Corporate guarantee for subsidiary company banking facilities	32,562,924

A14. Capital Commitments

	RM
Approved and contracted for:	
Development land acquired under Sale and Purchase Agreements.	6,380,000
Acquisition of service suites	23,850,000
	<hr/>
	30,230,000

B NOTES TO BURSA MALAYSIA'S LISTING REQUIREMENT**B1. Review of Performance**

For the quarter under review, the Group registered a higher revenue of RM11.2 million compared with RM4.6 million for the same period in 2012 mainly due to contribution from its industrial project. Consequently the Group recorded a higher profit before taxation of RM3.0 million as compared to a loss of 0.02 million for corresponding period last year. The Group's higher revenue and net income for the quarter were mainly contributed by its industrial project, I-Hub@Puchong.

The Group recorded a slightly lower revenue of RM45.0 million for the current year as compared to RM46.7 million in the preceding year. However the current year profit before tax was higher at RM13.6 million as compared to the preceding year profit before tax of RM8.8 million due to higher profit margin from its industrial project.

B2. Variation of Results Against Preceding Quarter

For the quarter under review, the Group recorded a lower revenue of RM11.2 million and profit before tax of RM3.0 million as compared to the preceding quarter's revenue of RM16.3 million and profit before tax of 5.0 million. The lower revenue and profit for the current quarter were attributed to profit from land sale in the preceding quarter.

B3. Prospects

The Group expects financial year 2014 to be better with another two projects targeted to be launched during the year.

B4. Profit forecast and profit guarantee

There were no profit forecast or profit guarantee for the financial year.

B5. Taxation

	Current Quarter	Year-To-Date
	RM'000	RM'000
Current Year Provision	1,113	3,900

The effective tax rate of the Group was higher than to the prevailing statutory tax due to non-deductibility of certain expenses.

B6. Unquoted Investment and Properties

There were no sales of unquoted investments and/or properties during the current financial quarter.

B7. Status of Corporate Proposals

- a) The Company has on 18 July 2008, entered into a conditional Sale and Purchase Agreement with Saluran Projek Development Sdn Bhd to acquire a block of fourteen (14)- storey service apartments (excluding a 7 storey parking bay) comprising 100 units of suites, identified as Krystal Suites for a total purchase consideration of RM26.50 million, to be satisfied by way of RM10.0 million cash and the remainder by way of the issuance of 16.5 million new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share. The Securities Commission, Bursa Malaysia and the shareholders have approved the proposal. The completion of this proposal is subject to the successful settlement of liabilities of the vendor incurred before the date of the Sale and Purchase Agreement. Subsequent to the year ended 31 Dec 2009, the Company has taken legal action against the Vendor. (Please refer to Note B10)

- b) The Company has on 29 January 2014 announced that the Company wished to undertake a proposed private placement of such number of new ordinary shares of RM1.00 each in the Company representing 10% of the Company's issued and paid-up capital to investor to be identified and a proposed establishment of a new employees' share option scheme of up to fifteen percent (15%) of the issued and paid-up capital of the Company for eligible directors and employees of the Company and its subsidiaries. Submission of these proposal to Bursa Malaysia will be made soon.

B8. Borrowings and Debts Securities

Total Group borrowings as at 31 Dec. 2013 were as follows:

	As at 31/12/2013 RM'000
Short term borrowings	
- Unsecured	-
- Secured	6,106
	<hr/> 6,106
Long term borrowings	
- Unsecured	-
- Secured	11,807
	<hr/> 11,807
Total	<hr/> 17,913 <hr/>

B9. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments for the current financial period to date.

B10. Material Litigation

The Company is not involved in any material litigation as at the date of this financial report, which has a material effect on the financial position of the Group except for the following:

- i) The Group had taken legal action against Saluran Projek Development Sdn Bhd (Vendor) and its director and Rich Focus Corporation Sdn Bhd to protect the Group's interest and to enforce the Group's rights pursuant to the Sale and Purchase Agreement dated 18 July 2008 and the related supplementary agreement pursuant to the acquisition of service apartment known as Krystal Suites. The case is pending for court hearing. The delay in the legal process was mainly due to numerous interveners hearings by third parties and the Vendor was wound-up by its creditor.

B11. Dividends payable

The Board has declared an interim dividend of 5% less 25% income tax for the financial year ending 31 December 2013 which was paid on 10 Oct 2013. (2012 : 5% less 25% tax which was paid on 6 July 2012)

B12. Earnings Per Share**a) Basic Earnings per Share**

Basic earning per share of the Group is calculated based on the net profit attributable to the shareholders for the current financial quarter and financial period and the weighted average number of ordinary shares in issue of 63,476,053 (2012 : 62,041,843) during the said financial quarter.

b) Diluted Earnings per Share

The diluted earning per share of the Group is calculated based on the net profit attributable to the shareholders for the current quarter and financial period and the adjusted weighted average number of ordinary shares in issued and issuable of 63,476,053 (2012 : 62,041,843) during the said financial quarter.

B13. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements.

The following analysis of realized and unrealized retained profit/(accumulated losses) at the legal entity level is prepared in accordance with Guidance on Special matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirement, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

		1/12/2013 RM'000	31/12/2012 RM'000
Total Accumulated Profit/(Loss)-	Realised	(113,533)	(121,776)
	- Unrealised	17,432	17,432
		-----	-----
		(96,101)	(104,344)
Less: Consolidation adjustments		16,467	17,402
		-----	-----
Total Group Accumulated Losses		(79,634)	(86,942)
		-----	-----

B14. Notes to the Condensed Consolidated Statement of Comprehensive Incomes

The following amounts have been credited/(charged) in arriving at profit before tax:

	Current Quarter RM'000	Cumulative Quarter RM'000
a) Interest income	(26)	300
b) Dividend income and other income	14	75
c) Interest expenses	(84)	(984)
d) Depreciation and amortization	(195)	(752)
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	0	140
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	0	0