

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

	<b>Unaudited As at end of Current Quarter 31 March 2014 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec 2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	2,765	2,946
Investment Properties	28,129	28,129
Investment in Associated Co.	49	49
Other Receivable	634	634
Other Investment	2,343	2,239
Development Expenditure	23,367	23,260
	57,287	57,257
<b>Current Assets</b>		
Inventories	2,119	2,114
Property Development Expenditure	67,494	57,792
Trade Receivables	15,459	13,256
Other Receivables	2,138	1,606
Accrued Billings	0	0
Amount Owing by an Associate Company	2,340	1,450
Tax Recoverable	26	24
Fixed Deposits	156	95
Cash held under Housing Development Act	417	415
Cash and Bank balances	2,004	1,497
	92,153	78,249
<b>Total Assets</b>	<b>149,440</b>	<b>135,506</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	66,458	64,246
Treasury Shares	(1)	(1)
Share Premium	105,840	105,729
Warrant Reserve	904	1,015
Accumulated Losses	(77,888)	(79,795)
	95,313	91,194
Non-controlling Interest	0	0
<b>Total Equity</b>	<b>95,313</b>	<b>91,194</b>

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

	<b>Unaudited As at end of Current Quarter 31 March 2014 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec 2013 RM'000</b>
<b>Non-Current Liabilities</b>		
Bank Borrowing	11,852	11,474
Deferred tax	167	167
	12,019	11,641
<b>Current Liabilities</b>		
Trade Payables	11,021	2,020
Progress Billings	6,878	13,535
Other Payables	5,595	1,964
Amount Owing to a Director	0	0
Amount Owing to Stakeholder Equity	8,000	8,000
Bank Borrowings	9,938	6,439
Tax Payable	676	713
	42,108	32,671
<b>Total Liabilities</b>	54,127	44,312
<b>Total Equity and Liabilities</b>	149,440	135,506
<b>Net assets per share (RM)</b>	1.43	1.42

The condensed Consolidated Balance Sheet should be read in conjunction with the Financial Statements for the year ended 31 December 2013 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 31/03/2014 RM'000	Preceding Year Corresponding Quarter 31/03/2013 RM'000	Current Year To date 31/03/2014 RM'000	Preceding Year Corresponding Period 31/03/2013 RM'000
Revenue	10,016	7,634	10,016	7,634
Other Operating Incomes	105	446	105	446
Operating Expenses	(7,182)	(5,821)	(7,182)	(5,821)
Finance Costs	(59)	(371)	(59)	(371)
Profit (Loss) before Taxation	<u>2,880</u>	<u>1,888</u>	<u>2,880</u>	<u>1,888</u>
Income Tax	(973)	(550)	(973)	(550)
Profit after Taxation	<u><u>1,907</u></u>	<u><u>1,338</u></u>	<u><u>1,907</u></u>	<u><u>1,338</u></u>
Attributable to:				
Equity holders	1,907	1,338	1,907	1,338
Non-controlling Interest	0	0	0	0
Profit for the Period	<u><u>1,907</u></u>	<u><u>1,338</u></u>	<u><u>1,907</u></u>	<u><u>1,338</u></u>
<b>Profit for the Period</b>	1,907	1,338	1,907	1,338
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>1,907</u></u>	<u><u>1,338</u></u>	<u><u>1,907</u></u>	<u><u>1,338</u></u>

**Total comprehensive income**

Equity holders	1,907	1,338	1,907	1,338
Non controlling interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,907</u>	<u>1,338</u>	<u>1,907</u>	<u>1,338</u>

**Earnings per share attributable to equity holders**

Basic earnings/(loss) per share (sen)	2.9	2.1	2.9	2.1
Diluted earning/(loss) per share (sen)	2.0	1.4	2.0	1.4

The condensed consolidated Income Statement should be read in conjunction with the Financial Statements for the year ended 31 December 2013

**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					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 Jan. 2013</b>	62,389	105,508	1,107	(86,942)	(247)	81,815	0	81,815
Net profit for the year				1,338		1,338	-	1,338
Issue of shares	20					20	-	20
Disposal of Treasury shares					246	246	-	246
<b>As at 31 March 2013</b>	<b>62,389</b>	<b>105,508</b>	<b>1,107</b>	<b>(85,604)</b>	<b>(1)</b>	<b>83,419</b>	<b>0</b>	<b>83,419</b>
<b>As at 1st Jan. 2014</b>	64,246	105,729	1,015	(79,795)	(1)	91,194	0	91,194
Net profit for the year				1,907		1,907	0	1,907
Issue of Shares	2,212					2,212	0	2,212
Transfer to share premium for warrant conversion		111	(111)			0	0	0
<b>As at 31 March 2014</b>	<b>66,458</b>	<b>105,840</b>	<b>904</b>	<b>(77,888)</b>	<b>(1)</b>	<b>95,313</b>	<b>0</b>	<b>95,313</b>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 31 December 2013

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Cash Flow Statement**

	<b>3 months ended</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from/(used in) operation activities	(5,563)	(1,180)
Net cash generated from/(used in) investing activities	(16)	(1,962)
Net cash generated from/(used in) financing activities	5,187	(1,992)
Net increase in cash and cash equivalent	<u>(392)</u>	<u>(5,134)</u>
Cash and cash equivalent at beginning of the year	1,652	9,430
Cash and cash equivalent at end of the period	<u><u>1,260</u></u>	<u><u>4,296</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	2,004	3,614
Cash held under Housing Development Accounts	417	1,426
Deposits with Licensed Banks	156	94
	<u>2,577</u>	<u>5,134</u>
Less: Fixed Deposit pledged to licensed banks	(156)	-
Overdraft	<u>(1,161)</u>	<u>(838)</u>
	<u><u>1,260</u></u>	<u><u>4,296</u></u>

The Condensed Consolidated cashflow statement should be read in conjunction with the Financial Statement for the Year ended 31 December 2013

## **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 2013.

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 2013.

### **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 2013, 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 1 January 2014, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial period beginning on or after 1 January 2014.

Amendments to FRS10, FRS12 and FRS127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of the above standards and interpretation did not have any effect on the financial performance or position of the Group.

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 8 August 2013, MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework to annual period beginning on or after 1 January 2015.

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 2013.

**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 2,212,500 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.



**A12. Changes in the Composition of the Group**

During the period, there is no change in the composition of the Group except for the subscription of 51 ordinary shares of RM1.00 each in Haba Equity Sdn Bhd, representing 51% equity interest in the subsidiary company.

**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.	12,347,000

**B NOTES TO BURSA MALAYSIA'S LISTING REQUIREMENT**

**B1. Review of Performance**

For the quarter under review, the Group registered a higher revenue of RM10.0 million compared with RM7.6 million for the same period in 2013 mainly due to contribution from its industrial project. Consequently the Group recorded a higher profit before taxation of RM2.9 million as compared to RM1.9 million for corresponding period last year. The Group's higher revenue and net income for the quarter were mainly contributed by its turnkey industrial project, I-Hub@Puchong.

**B2. Variation of Results Against Preceding Quarter**

For the quarter under review, the Group recorded a lower revenue of RM10.0 million and profit before tax of RM2.9 million as compared to the preceding quarter's revenue of RM11.2 million and profit before tax of 3.0 million. The slightly lower revenue and profit for the current quarter were attributed to lower construction activities for the period.

**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**

	<b>Current Quarter</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Current Year Provision	973	973

The effective tax rate of the Group was higher than the prevailing statutory tax rate 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. On 12 May 2014, we have entered into a settlement agreement with a third party to resolve the above issue. The above acquisition is now aborted.
- 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 investors to be identified and a proposed establishment of a new employees' share option scheme (ESOS) 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. The ESOS application has been submitted to Bursa. The Company had placed out 2,500,000 ordinary shares of RM1.00 at RM1.30 per share on 16 May 2014

**B8. Borrowings and Debts Securities**

Total Group borrowings as at 31 March 2014 were as follows:

	<b>As at 31/03/2014 RM'000</b>
Short term borrowings	
- Unsecured	-
- Secured	9,938
	<hr/> 9,938
Long term borrowings	
- Unsecured	-
- Secured	11,852
	<hr/> 11,852
Total	<hr/> 21,790 <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. On 12 May 2014, the Company had entered into a settlement agreement with a third party whereby the legal action will be withdrawn against the Vendor and its related parties.

**B11. Dividends payable**

The Board did not declare any dividend for the period.

**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 period and the weighted average number of ordinary shares in issue of 66,155,807 (2013: 62,398,744) 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 financial period and the adjusted weighted average number of ordinary shares in issued and issuable of 93,281,274 (2013 : 93,584,000) 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.

	<b>31/03/2014</b>
	<b>RM'000</b>
Total Accumulated Profit/(Loss) - Realised	(99,685)
- Unrealised	5,357
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	(94,328)
Less: Consolidation adjustments	16,440
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Total Group Accumulated Losses	(77,888)
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**B14. Notes to the Condensed Consolidated Statement of Comprehensive Incomes**

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

	<b>Current Quarter</b>	<b>Cumulative Quarter</b>
	<b>RM'000</b>	<b>RM'000</b>
a) Interest income	4	4
b) Dividend income and other income	5	5
c) Interest expenses	(59)	(59)
d) Depreciation and amortization	(197)	(197)
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	0	0
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	0	0