

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

	Unaudited As at end of Current Quarter 30 Sept 2014 RM'000	Audited As at preceding Financial Year End 31 Dec 2013 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,341	2,946
Investment Properties	28,129	28,129
Investment in Associated Co.	49	49
Other Receivable	634	634
Other Investment	1,509	2,239
Development Expenditure	37,240	23,260
	69,902	57,257
Current Assets		
Inventories	2,124	2,114
Property Development Expenditure	66,768	57,792
Trade Receivables	13,841	13,256
Other Receivables	1,661	1,606
Accrued Billings	4,970	0
Amount Owing by an Associate Company	2,340	1,450
Tax Recoverable	31	24
Fixed Deposits	152	95
Cash held under Housing Development Act	422	415
Cash and Bank balances	1,555	1,497
	93,864	78,249
Total Assets	163,766	135,506
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	71,776	64,246
Treasury Shares	(1)	(1)
Share Premium	107,391	105,729
Warrant Reserve	903	1,015
Accumulated Losses	(72,010)	(79,795)
	108,059	91,194
Non-controlling Interest	245	0
Total Equity	108,304	91,194

LBI CAPITAL BERHAD

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 30 Sept. 2014 RM'000	Audited As at preceding Financial Year End 31 Dec 2013 RM'000
Non-Current Liabilities		
Bank Borrowing	21,093	11,474
Deferred tax	167	167
	21,260	11,641
Current Liabilities		
Trade Payables	13,183	2,020
Progress Billings	0	13,535
Other Payables	7,379	1,964
Amount Owing to a Director	0	0
Amount Owing to Stakeholder Equity	0	8,000
Bank Borrowings	12,405	6,439
Tax Payable	1,235	713
	34,202	32,671
Total Liabilities	55,462	44,312
Total Equity and Liabilities	163,766	135,506
Net assets per share (RM)	1.51	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 30/09/2014 RM'000	Preceding Year Corresponding Quarter 30/09/2013 RM'000	Current Year To date 30/09/2014 RM'000	Preceding Year Corresponding Period 30/09/2013 RM'000
Revenue	6,076	16,350	41,204	33,819
Other Operating Incomes	635	310	2,165	1,093
Operating Expenses	(6,761)	(11,434)	(31,278)	(23,369)
Finance Costs	(489)	(252)	(702)	(913)
Profit/(Loss) before Taxation	<u>(539)</u>	<u>4,974</u>	<u>11,389</u>	<u>10,630</u>
Income Tax	(239)	(1,337)	(3,604)	(2,787)
Profit/(Loss) after Taxation	<u><u>(778)</u></u>	<u><u>3,637</u></u>	<u><u>7,785</u></u>	<u><u>7,843</u></u>
Attributable to:				
Equity holders	(778)	3,637	7,785	7,843
Non-controlling Interest	0	0	0	0
Profit for the Period	<u><u>(778)</u></u>	<u><u>3,637</u></u>	<u><u>7,785</u></u>	<u><u>7,843</u></u>
Profit for the Period	(778)	3,637	7,785	7,843
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>(778)</u></u>	<u><u>3,637</u></u>	<u><u>7,785</u></u>	<u><u>7,843</u></u>

Total comprehensive income

Equity holders	(778)	3,637	7,785	7,843
Non controlling interest	0	0	0	0
	<u>(778)</u>	<u>3,637</u>	<u>7,785</u>	<u>7,843</u>

Earnings per share attributable to equity holders

Basic earnings/(loss) per share (sen)	(1.1)	5.8	11.2	12.5
Diluted earning/(loss) per share (sen)	(0.8)	5.8	8.1	12.5

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
At 1 Jan. 2013	62,389	105,508	1,107	(86,942)	(247)	81,815	0	81,815
Net profit for the year				7,843		7,843	-	7,843
Issue of shares	1,812					1,812	-	1,812
Disposal of Treasury shares					246	246	-	246
Interim Dividend				(2,408)		(2,408)	-	(2,408)
As at 30 Sept. 2013	62,389	105,508	1,107	(81,507)	(1)	89,308	0	89,308
As at 1st Jan. 2014	64,246	105,729	1,015	(79,795)	(1)	91,194	0	91,194
Net profit for the year				7,785		7,785	0	7,785
Issue of Shares	7,530	1,550				9,080	0	9,080
Transfer to share premium for warrant conversion		112	(112)			0	0	0
Non-controlling Interest							245	245
As at 30 Sept 2014	71,776	107,391	903	(72,010)	(1)	108,059	245	108,304

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

	9 months ended	
	30.09.2014	30.09.2013
	RM'000	RM'000
Net cash generated from/(used in) operation activities	(25,710)	(6,419)
Net cash generated from/(used in) investing activities	1,167	(562)
Net cash generated from/(used in) financing activities	24,263	4,981
Net increase in cash and cash equivalent	<u>(280)</u>	<u>(2,000)</u>
Cash and cash equivalent at beginning of the year	1,652	531
Cash and cash equivalent at end of the period	<u><u>1,372</u></u>	<u><u>(1,469)</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	1,555	658
Cash held under Housing Development Accounts	422	394
Deposits with Licensed Banks	153	1,401
	<u>2,130</u>	<u>2,453</u>
Less: Fixed Deposit pledged to licensed banks	(97)	(62)
Overdraft	<u>(661)</u>	<u>(3,860)</u>
	<u><u>1,372</u></u>	<u><u>(1,469)</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 period except for an issuance of 2,230,000 ordinary shares of RM1.00 each at par value arising from the conversion of its warrants and 5,300,000 ordinary shares of RM1.00 each at a weighted average price of RM1.29 pursuant to the private placement.

A8. Dividend Paid

There were no dividends paid by the Company during the quarter ended 30 Sept 2014. The Board has declared a single tier tax exempt interim dividend of 5% (5 sen per share) in the second quarter which was paid on 21 Nov 2014. (2013 – 5% less 25% tax which 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	40,812,924

A14. Capital Commitments

	RM
Approved and contracted for: Development land acquired under Sale and Purchase Agreements.	800,000

B NOTES TO BURSA MALAYSIA'S LISTING REQUIREMENT

B1. Review of Performance

For the quarter under review, the Group registered a lower revenue of RM6.1 million compared with RM16.4 million for the same period in 2013 as the contribution from its industrial project is nearing completion. Consequently the Group recorded a marginal loss of RM0.5 million as compared to a profit RM5.0 million for corresponding period last year. The loss for the quarter under review was mainly due to higher variation order on its industrial project.

B2. Variation of Results Against Preceding Quarter

For the quarter under review, the Group recorded a lower revenue of RM6.1 million and loss before tax of RM0.5 million as compared to the preceding quarter's revenue of RM25.1 million and profit before tax of RM9.0 million. The lower revenue which resulted in loss for the current quarter was attributed to near completion of its industrial project.

B3. Prospects

The Group expects financial year 2014 to be better than last year with the launch of its townhouse project called Desa Saujana 2 @ Bandar Saujana Putra in Nov 2014.

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	2,39	3,604

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 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 had been approved and pending implementation. The Company had placed out a total 5,950,000 ordinary shares of RM1.00 each at an average issued price of RM1.29 per share as at todate pursuant to the private placement.

B8. Borrowings and Debts Securities

Total Group borrowings as at 30 Sept 2014 were as follows:

	As at 30/09/2014 RM'000
Short term borrowings	
- Unsecured	-
- Secured	12,405
	<hr/> 12,405
Long term borrowings	
- Unsecured	-
- Secured	21,093
	<hr/> 21,093
Total	<hr/> 33,498 <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.

B11. Dividends payable

The Board has declared a single tier tax exempt interim dividend of 5% (5 sen per share) for the second quarter under review which was paid on 21 Nov 2014.

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

Basic earnings 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 69,276,321(2013: 63,223,477) 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 99,384,288 (2013 : 63,223,477) 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.

	30/09/2014
	RM'000
Total Accumulated Profit/(Loss) - Realised	(93,807)
- Unrealised	5,357

	(88,450)
Less: Consolidation adjustments	16,440

Total Group Accumulated Losses	(72,010)

B14. **Notes to the Condensed Consolidated Statement of Comprehensive Incomes**

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

	Current	Cumulative
	Quarter	Quarter
	RM'000	RM'000
a) Interest income	7	16
b) Dividend income and other income	7	32
c) Interest expenses	(489)	(702)
d) Depreciation and amortization	(251)	(643)
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	14	153
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	0	0