

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

	<b>Unaudited As at end of Current Quarter 31 Dec 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	2,136	2,946
Investment Properties	28,129	28,129
Investment in Associated Co.	49	49
Other Receivable	0	634
Other Investment	1,377	2,239
Development Expenditure	31,004	23,260
	62,695	57,257
<b>Current Assets</b>		
Inventories	2,073	2,114
Property Development Expenditure	73,941	57,792
Trade Receivables	16,704	13,256
Other Receivables	5,329	1,606
Accrued Billings	5,156	0
Amount Owing by an Associate Company	4,860	1,450
Tax Recoverable	15	24
Fixed Deposits	153	95
Cash held under Housing Development Act	1,299	415
Cash and Bank balances	1,876	1,497
	111,406	78,249
<b>Total Assets</b>	174,101	135,506
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	72,484	64,246
Treasury Shares	-1	-1
Share Premium	107,660	105,729
Warrant Reserve	901	1,015
Accumulated Losses	-73,512	-79,795
	107,532	91,194
Non-controlling Interest	242	0
<b>Total Equity</b>	107,774	91,194

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	<b>Unaudited As at end of Current Quarter 31 Dec. 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	20,774	11,474
Deferred tax	154	167
	20,928	11,641
<b>Current Liabilities</b>		
Trade Payables	13,272	2,020
Progress Billings	0	13,535
Other Payables	9,473	1,964
Amount Owing to Stakeholder Equity	1,000	8,000
Bank Borrowings	21,185	6,439
Tax Payable	469	713
	45,399	32,671
<b>Total Liabilities</b>	66,327	44,312
<b>Total Equity and Liabilities</b>	174,101	135,506
<b>Net assets per share (RM)</b>	1.48	1.42

The condensed consolidated balance sheet should be read in conjunction with the financial statement for the year ended 31 Dec 2013 and the accompanying explanatory.

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000	Current Year To date 31/12/2014 RM'000	Preceding Year Corresponding Period 31/12/2013 RM'000
Revenue	18,791	11,229	59,995	45,048
Other Operating Incomes	-674	1,341	1,491	2,434
Operating Expenses	-14,956	-9,659	-46,234	-33,028
Finance Costs	-61	-71	-763	-984
Share of Loss on Associated Company	-2	-1	-2	-1
Profit/(Loss) before Taxation	<u>3,098</u>	<u>2,839</u>	<u>14,487</u>	<u>13,469</u>
Income Tax	-979	-1,127	-4,583	-3,914
Profit/(Loss) after Taxation	<u><u>2,119</u></u>	<u><u>1,712</u></u>	<u><u>9,904</u></u>	<u><u>9,555</u></u>
Attributable to:				
Equity holders	2,122	1,712	9,907	9,555
Non-controlling Interest	-3	0	-3	0
Profit for the Period	<u><u>2,119</u></u>	<u><u>1,712</u></u>	<u><u>9,904</u></u>	<u><u>9,555</u></u>
<b>Profit for the Period</b>	2,119	1,712	9,904	9,555
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>2,119</u></u>	<u><u>1,712</u></u>	<u><u>9,904</u></u>	<u><u>9,555</u></u>

**Total comprehensive income**

Equity holders	2,122	1,712	9,907	9,555
Non controlling interest	-3	0	-3	0
	<u>2,119</u>	<u>1,712</u>	<u>9,904</u>	<u>9,555</u>

**Earnings per share attributable to equity holders**

Basic earnings/(loss) per share (sen)	3.1	3.0	14.3	15.2
Diluted earning/(loss) per share (sen)	2.2	1.9	10.3	10.4

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				9,554		9,554	-	9,554
Issue of shares	1,857					1,857	-	1,857
Disposal of Treasury shares		129			246	375	-	375
Transfer to share premium for warrant conversion		92	-92			0		
Interim Dividend				-2,407		-2,407	-	-2,407
<b>As at 31 Dec. 2013</b>	<b>64,246</b>	<b>105,729</b>	<b>1,015</b>	<b>-79,795</b>	<b>-1</b>	<b>91,194</b>	<b>0</b>	<b>91,194</b>
<b>As at 1st Jan. 2014</b>	<b>64,246</b>	<b>105,729</b>	<b>1,015</b>	<b>-79,795</b>	<b>-1</b>	<b>91,194</b>	<b>0</b>	<b>91,194</b>
Net profit for the year				9,907		9,907	0	9,907
Issue of Shares	8,238	1,817				10,055	0	10,055
Transfer to share premium for warrant conversion		114	-114			0	0	0
Non-controlling Interest							242	242
Interim Dividend				-3,624		-3,624		-3,624
<b>As at 31 Dec 2014</b>	<b>72,484</b>	<b>107,660</b>	<b>901</b>	<b>-73,512</b>	<b>-1</b>	<b>107,532</b>	<b>242</b>	<b>107,774</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**

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Net cash generated from/(used in) operation activities	(30,617)	2,377
Net cash generated from/(used in) investing activities	1,463	(80)
Net cash generated from/(used in) financing activities	29,907	(8,652)
Net increase in cash and cash equivalent	<u>753</u>	<u>(6,355)</u>
Cash and cash equivalent at beginning of the year	1,652	8,007
Cash and cash equivalent at end of the period	<u><u>2,405</u></u>	<u><u>1,652</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	1,876	1,497
Cash held under Housing Development Accounts	1,299	415
Deposits with Licensed Banks	153	95
	<u>3,328</u>	<u>2,007</u>
Less: Fixed Deposit pledged to licensed banks	(153)	(95)
Overdraft	<u>(770)</u>	<u>(260)</u>
	<u><u>2,405</u></u>	<u><u>1,652</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 2,288,000 ordinary shares of RM1.00 each at par value arising from the conversion of its warrants and 5,950,000 ordinary shares of RM1.00 each at a weighted average price of RM1.30 pursuant to the private placement.

A8. **Dividend Paid**

There were no dividends declared by the Company during the quarter ended 31 Dec 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 companies banking facilities	40,812,924

**A14. Capital Commitments**

	RM
Approved and contracted for: Development land acquired under Sale and Purchase Agreements.	Nil.

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

**B1. Review of Performance**

For the quarter under review, the Group registered a higher revenue of RM18.8 million compared with RM11.2 million for the same period in 2013 following the maiden contribution from its townhouse development, Desa Saujana 2 @ Bandar Saujana Putra. Consequently the Group recorded a slightly higher profit before tax of RM3.1 million as compared to a profit before tax of RM2.8 million for corresponding period last year.

The financial year under review recorded a higher revenue and profit before tax of RM60.0 million and RM14.5 million as compared to previous year of RM45.0 million and RM13.5 million respectively. This is mainly due to the sale launch of its townhouse project during the quarter and the tail end revenue contribution of its industrial project.

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

For the quarter under review, the Group recorded a higher revenue of RM18.8 million and profit before tax of RM3.1 million as compared to the preceding quarter's revenue of RM6.1 million and loss before tax of RM0.5 million. The better performance was attributed to its townhouse project which was launched during the quarter under review..

**B3. Prospects**

The external business environment is expected to be challenging with the implementation of the Goods Service Tax (GST) and tightening of financing availability on the property purchaser. Nevertheless, the Group is confident of achieving better financial results for current financial year ending 2015.

**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	979	4,583

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**

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 completed the proposed private placement with full placement of total 6,647,554 ordinary shares of RM1.00 each at an average issued price of RM1.28 per share as at todate.

**B8. Borrowings and Debts Securities**

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

	<b>As at 31/12/2014 RM'000</b>
Short term borrowings	
- Unsecured	-
- Secured	21,185
	<hr/> 21,185
Long term borrowings	
- Unsecured	-
- Secured	20,774
	<hr/> 20,774
Total	<hr/> 41,959 <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 did not declare any dividend during the quarter under review. 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 69,156,892 (2013: 62,878,764) 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 96,206,859 (2013 : 92,216,731) 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>30/09/2014</b>
	<b>RM'000</b>
Total Accumulated Profit/(Loss) - Realised	(95,309)
- Unrealised	5,357
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	(89,952)
Less: Consolidation adjustments	16,440
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Total Group Accumulated Losses	(73,512)
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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</b>	<b>Cumulative</b>
	<b>Quarter</b>	<b>Quarter</b>
	<b>RM'000</b>	<b>RM'000</b>
a) Interest income	9	25
b) Dividend income and other income	0	32
c) Interest expenses	(61)	(763)
d) Depreciation and amortization	(163)	(806)
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	0	153
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	0	0