

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

	Unaudited As at end of Current Quarter 31 Sept 2015 RM'000	Audited As at preceding Financial Year End 31 Dec 2014 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	1,612	2,136
Investment Properties	28,129	28,129
Investment in Associated Co.	26	48
Other Investment	969	1,377
Development Expenditure	20,460	31,003
	51,196	62,693
Current Assets		
Inventories	2,073	2,073
Property Development Expenditure	62,049	82,146
Trade Receivables	1,790	16,704
Other Receivables	2,060	5,329
Accrued Billings	9,986	1,511
Land Available for Sale	27,126	0
Amount Owing by an Associate Company	6,060	4,860
Tax Recoverable	486	15
Fixed Deposits	161	153
Cash held under Housing Development Act	1,488	1,299
Cash and Bank balances	3,949	1,876
	117,228	115,966
Total Assets	168,424	178,659
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	75,110	72,484
Treasury Shares	(4,792)	(1)
Share Premium	107,799	107,660
Warrant Reserve	803	900
Accumulated Losses	(61,220)	(73,262)
	117,700	107,781
Non-controlling Interest	240	242
Total Equity	117,940	108,023

LBI CAPITAL BERHAD

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 31 Dec. 2015 RM'000	Audited As at preceding Financial Year End 31 Dec 2014 RM'000
Non-Current Liabilities		
Bank Borrowing	16,727	20,769
Deferred tax	142	136
	16,869	20,905
Current Liabilities		
Trade Payables	4,720	13,271
Progress Billings	0	4,559
Other Payables	18,422	9,127
Amount Owing to Stakeholder Equity	0	1,000
Bank Borrowings	9,060	21,185
Tax Payable	1,413	589
	33,615	49,731
Total Liabilities	50,484	70,636
Total Equity and Liabilities	168,424	178,659
Net assets per share (RM)	1.57	1.49

The condensed consolidated balance sheet should be read in conjunction with the financial statement for the year ended 31 Dec 2014 and the accompanying explanatory.

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2015 RM'000	Preceding Year Corresponding Quarter 31/12/2014 RM'000	Current Year To date 31/12/2015 RM'000	Preceding Year Corresponding Period 31/12/2014 RM'000
Revenue	2,590	18,791	84,300	59,995
Other Operating Incomes	364	(674)	596	1,491
Operating Expenses	(5,164)	(14,956)	(61,677)	(45,894)
Finance Costs	(213)	(61)	(1,319)	(758)
Share of Loss on Associated Company	(22)	(2)	(22)	(2)
Profit/(Loss) before Taxation	<u>(2,445)</u>	<u>3,098</u>	<u>21,878</u>	<u>14,832</u>
Income Tax	552	(979)	(6,268)	(4,677)
Profit/(Loss) after Taxation	<u><u>(1,893)</u></u>	<u><u>2,119</u></u>	<u><u>15,610</u></u>	<u><u>10,155</u></u>
Attributable to:				
Equity holders	(1,891)	2,122	15,612	10,158
Non-controlling Interest	(2)	(3)	(2)	(3)
Profit for the Period	<u><u>(1,893)</u></u>	<u><u>2,119</u></u>	<u><u>15,610</u></u>	<u><u>10,155</u></u>
Profit for the Period	(1,893)	2,119	15,610	10,155
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>(1,893)</u></u>	<u><u>2,119</u></u>	<u><u>15,610</u></u>	<u><u>10,155</u></u>

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2015 RM'000	Preceding Year Corresponding Quarter 31/12/2014 RM'000	Current Year To date 31/12/2015 RM'000	Preceding Year Corresponding Period 31/12/2014 RM'000
Total comprehensive income				
Equity holders	(1,893)	2,119	15,612	10,158
Non controlling interest	<u>(2)</u>	<u>0</u>	<u>(2)</u>	<u>(3)</u>
	<u><u>(1,895)</u></u>	<u><u>2,119</u></u>	<u><u>15,610</u></u>	<u><u>10,155</u></u>
Earnings per share attributable to equity holders				
Basic earnings/(loss) per share (sen)	(2.6)	3.1	21.7	14.7
Diluted earning/(loss) per share (sen)	(2.4)	2.7	19.4	13.1

The condensed consolidated Income Statement should be read in conjunction with the Financial Statements for the year ended 31 December 2014

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. 2014	64,246	105,729	1,015	(79,795)	(1)	91,194	0	91,194
Net profit for the year				10,157		10,157	(3)	10,154
Issue of shares	8,238	1,817				10,055	-	10,055
Transfer to share premium for warrant conversion		114	(114)			0		
Dividends				(3,624)		(3,624)	-	(3,624)
Non-controlling interest							245	245
As at 31 Dec 2014	72,484	107,660	901	(73,262)	(1)	107,782	242	108,024
As at 1st Jan. 2015	72,484	107,660	901	(73,262)	(1)	107,782	242	108,024
Net profit for the year				15,612		15,612	-2	15,610
Issue of Shares	2,626	41				2,667	0	2,667
Shares buy-back					(4,791)	(4,791)	0	(4,791)
Dividends				(3,570)		(3,570)	0	(3,570)
Transfer to share premium for warrant conversion		98	(98)			0	0	0
As at 31 Dec 2015	75,110	107,799	803	(61,220)	(4,792)	117,700	240	117,940

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 31 December 2014

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Cash Flow Statement

	12 months ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
Net cash generated from/(used in) operation activities	21,067	(30,612)
Net cash generated from/(used in) investing activities	(508)	1,463
Net cash generated from/(used in) financing activities	(17,519)	29,902
Net increase/(decrease) in cash and cash equivalent	<u>3,040</u>	<u>753</u>
Cash and cash equivalent at beginning of the year	2,404	1,652
Cash and cash equivalent at end of the period	<u><u>5,444</u></u>	<u><u>2,405</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	3,948	1,876
Cash held under Housing Development Accounts	1,488	1,299
Deposits with Licensed Banks	161	153
	<u>5,597</u>	<u>3,328</u>
Less: Fixed Deposit pledged to licensed banks	(153)	(153)
Overdraft	-	(770)
	<u><u>5,444</u></u>	<u><u>2,405</u></u>

The Condensed Consolidated cashflow statement should be read in conjunction with the Financial Statement for the Year ended 31 December 2014

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 FRS 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 2014.

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 2014.

A2. Changes in Accounting Policies

The new and revised FRSs, Amendments to FRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2015 do not have any significant effects on the financial statements of the Group.

The directors expect that the adoption of the new FRS, Amendments to FRS and IC Interpretations FRS which are issued but not yet effective for the financial year ending 31 December 2015 will not have any material impact on the financial statements of the Group and the Company in the period of initial application, other than as disclosed below:

The Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework (MFRS Framework) to be applied by all entities other than private entities for annual periods beginning on or after 1 Jan 2013, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreement for Construction of Real Estate, including its parent, significant investor and venture.

The exemption of the above entities are allowed to defer adoption of the new MFRS Framework for four years. Consequently, the adoption of the MFRS Framework by the Group will be mandatory for annual periods beginning on or after 1 Jan 2017.

Accordingly, the Group will be required to prepare financial statements using the using MFRS Framework in its first MFRS financial statement for year ending 31 Dec 2017. As such the comparative financial statement will be restated to reflect the application of MFRS Framework retrospectively by adjusting the opening retained earning.

A3. Auditors' Report

There were no qualifications on auditors' report of the audited financial statements for the financial year ended 31 December 2014.

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 the followings:

- i) A final issuance of 697,554 ordinary shares of RM1.00 each at RM1.06, pursuant to the private placement;
- ii) An issuance of 1,928,300 ordinary shares of RM1.00 each at RM1.00 pursuant to the warrant conversion;
- iii) Share buyback of 3,502,000 shares at an average cost of RM1.36 per share.

A8. Dividend Paid

There were no dividends declare by the Company for the quarter ended 31 Dec 2015. The Company declared an interim dividend of 5 sen per share in the previous quarter and subsequently was paid in the current quarter in respect of the financial year ended 31 Dec 2015.

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

The Company acquired 100% interest in Wittee Trading Sdn Bhd comprising 2 ordinary share of RM1.00 each at par value.

A13. Contingent Liabilities

	RM
Corporate guarantee for subsidiary companies banking facilities	50,812,924

A14. Capital Commitments

	RM
Approved and contracted for: Development land acquired under Sale and Purchase Agreements.	4,320,000

B NOTES TO BURSA MALAYSIA'S LISTING REQUIREMENT

B1. Review of Performance

For the quarter under review, the Group registered a lower revenue of RM2.6 million compared with RM18.8 million for previous corresponding quarter in 2014 attributed to the lower contribution from its townhouse development, Desa Saujana 2 @ Bandar Saujana Putra. Consequently the Group recorded a loss after tax of RM1.9 million as compared to a profit after tax of RM2.1 million for corresponding period last year.

The Group achieved a better performance for the year with a total revenue of RM84.3 million and profit before tax of RM21.9 million as compared to last year period of RM60 million revenue and profit before tax of RM14.8 million. The better performance is mainly due to contribution from its townhouse development, Desa Saujana 2 @ Bandar Saujana Putra.

B2. Variation of Results Against Preceding Quarter

For the quarter under review, the Group recorded a lower revenue of RM2.6 million and loss after tax of RM1.9 million as compared to the preceding quarter's revenue of RM16.6 million and profit after tax of RM3.0 million. The lower revenue and loss for the current quarter is due to the near completion of its townhouse project.

B3. Prospects

The board expects the performance of the Group for next year to be challenging. However the Board has taken steps to pare down its borrowings and review its existing ongoing development projects.

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	(552)	6,268

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

There is no corporate proposal outstanding as at the date of this report except for the proposed disposal of 4 adjoining parcels of vacant freehold development land in Batu Feringghi, Pulau Pinang by a subsidiary company for a total consideration of RM50,000,000.00.

B8. Borrowings and Debts Securities

Total Group borrowings as at 31 Dec 2015 were as follows:

	As at 31/12/2015 RM'000
Short term borrowings	
- Unsecured	-
- Secured	9,060
	<hr/> 9,060
Long term borrowings	
- Unsecured	-
- Secured	16,727
	<hr/> 16,727
	<hr/>
Total	25,787
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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 and paid a single tier tax exempt interim dividend of 5% (5 sen per share) for financial year ended 31 December 2015. (2014: 5 sen)

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 71,882,746 (2014: 69,102,625) 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 80,303,711 (2014 : 77,252,033) 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.

	31/12/2015
	RM'000
Total Accumulated Profit/(Loss) - Realised	(82,730)
- Unrealised	5,368

	(77,362)
Less: Consolidation adjustments	16,142

Total Group Accumulated Losses	(61,220)

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	129	160
b) Dividend income and other income	0	13
c) Interest expenses	(213)	(1,319)
d) Depreciation and amortization	(193)	(785)
e) Provision for /write off of receivable	(206)	(206)
f) Gain/(loss) on disposal of investments/property	0	(29)
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	0	0