

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

	Unaudited As at end of Current Quarter 31 Mar 2016 RM'000	Audited As at preceding Financial Year End 31 Dec 2015 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	1,729	1,612
Investment Properties	28,129	28,129
Investment in Associated Co.	26	26
Other Investment	1,220	969
Development Expenditure	19,958	20,460
	51,062	51,196
Current Assets		
Inventories	2,073	2,073
Property Development Expenditure	60,928	62,049
Trade Receivables	5,082	1,790
Other Receivables	1,900	2,060
Accrued Billings	13,840	9,985
Land Available for Sale	27,192	27,127
Amount Owing by an Associate Company	6,060	6,060
Tax Recoverable	486	486
Fixed Deposits	161	161
Cash held under Housing Development Act	569	1,487
Cash and Bank balances	3,725	3,949
	122,016	117,227
Total Assets	173,078	168,423
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	75,255	75,110
Treasury Shares	(5,732)	(4,792)
Share Premium	107,805	107,798
Warrant Reserve	796	804
Accumulated Losses	(60,163)	(61,221)
	117,961	117,699
Non-controlling Interest	240	240
Total Equity	118,201	117,939

LBI CAPITAL BERHAD

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 31 Mar. 2016 RM'000	Audited As at preceding Financial Year End 31 Dec 2015 RM'000
Non-Current Liabilities		
Bank Borrowing	15,788	16,728
Deferred tax	142	142
	15,930	16,870
Current Liabilities		
Trade Payables	5,626	4,720
Progress Billings	0	0
Other Payables	18,505	18,422
Amount Owing to Stakeholder Equity	0	0
Bank Borrowings	14,600	9,060
Tax Payable	216	1,412
	38,947	33,614
Total Liabilities	54,877	50,484
Total Equity and Liabilities	173,078	168,423
Net assets per share (RM)	1.57	1.57

The condensed consolidated balance sheet should be read in conjunction with the financial statement for the year ended 31 Dec 2015 and the accompanying explanatory.

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/03/2016 RM'000	Preceding Year Corresponding Quarter 31/03/2015 RM'000	Current Year To date 31/03/2016 RM'000	Preceding Year Corresponding Period 31/03/2015 RM'000
Revenue	10,275	22,605	10,275	22,605
Other Operating Incomes	338	220	338	220
Operating Expenses	(9,033)	(15,733)	(9,033)	(15,733)
Finance Costs	(57)	(573)	(57)	(573)
Share of Loss on Associated Company	0	0	0	0
Profit/(Loss) before Taxation	<u>1,523</u>	<u>6,519</u>	<u>1,523</u>	<u>6,519</u>
Income Tax	(465)	(1,809)	(465)	(1,809)
Profit/(Loss) after Taxation	<u><u>1,058</u></u>	<u><u>4,710</u></u>	<u><u>1,058</u></u>	<u><u>4,710</u></u>
Attributable to:				
Equity holders	1,058	4,710	1,058	4,710
Non-controlling Interest	0	0	0	0
Profit for the Period	<u><u>1,058</u></u>	<u><u>4,710</u></u>	<u><u>1,058</u></u>	<u><u>4,710</u></u>
Profit for the Period	1,058	4,710	1,058	4,710
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>1,058</u></u>	<u><u>4,710</u></u>	<u><u>1,058</u></u>	<u><u>4,710</u></u>

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/03/2016 RM'000	Preceding Year Corresponding Quarter 31/03/2015 RM'000	Current Year To date 31/03/2016 RM'000	Preceding Year Corresponding Period 31/03/2015 RM'000
Total comprehensive income				
Equity holders	1,058	4,710	1,058	4,710
Non controlling interest	0	0	0	0
	<u>1,058</u>	<u>4,710</u>	<u>1,058</u>	<u>4,710</u>
Earnings per share attributable to equity holders				
Basic earnings/(loss) per share (sen)	1.5	6.4	1.5	6.4
Diluted earning/(loss) per share (sen)	1.3	5.9	1.3	5.9

The condensed consolidated Income Statement should be read in conjunction with the Financial Statements for the year ended 31 December 2015

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Changes in Equity

	←-----Non-Distributable-----→			Accumulated Losses RM'000	Treasury Shares RM'000	TOTAL RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000					
At 1 Jan. 2015	72,484	107,660	900	(73,262)	(1)	107,781	242	108,023
Net profit for the year				4,710		4,710	-	4,710
Issue of shares	698	42				740	-	740
Share buy-back					(64)	(64)	-	(64)
As at 31 March 2015	73,182	107,702	900	(68,552)	(65)	113,167	242	113,409
As at 1 Jan. 2016	75,110	107,798	803	(61,221)	(4,792)	117,698	240	117,938
Net profit for the year				1,058		1,058	0	1,058
Issue of Shares	145					145	0	145
Shares buy-back					(940)	(940)	0	(940)
Transfer to share premium for warrant conversion		7	(7)			0	0	0
As at 31 March 2016	75,255	107,805	796	(60,163)	(5,732)	117,961	240	118,201

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 31 December 2015

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Cash Flow Statement

	3 months ended	
	31.03.2016	31.03.2015
	RM'000	RM'000
Net cash generated from/(used in) operation activities	(4,470)	876
Net cash generated from/(used in) investing activities	(478)	(401)
Net cash generated from/(used in) financing activities	3,806	(791)
Net increase/(decrease) in cash and cash equivalent	<u>(1,142)</u>	<u>(316)</u>
Cash and cash equivalent at beginning of the year	5,436	2,404
Cash and cash equivalent at end of the period	<u><u>4,294</u></u>	<u><u>2,088</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	3,725	2,194
Cash held under Housing Development Accounts	569	1,908
Deposits with Licensed Banks	161	153
	<u>4,455</u>	<u>4,255</u>
Less: Fixed Deposit pledged to licensed banks	(161)	(153)
Overdraft	-	(2,014)
	<u><u>4,294</u></u>	<u><u>2,088</u></u>

The Condensed Consolidated cashflow statement should be read in conjunction with the Financial Statement for the Year ended 31 December 2015

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 2015.

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 2015.

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 2016 did 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 2016 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 2018.

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 2018. 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 2015.

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) An issuance of 145,000 ordinary shares of RM1.00 each at RM1.00 pursuant to its warrant conversion;
- iii) Share buyback of 680,000 shares at an average cost of RM1.38 per share.

A8. Dividend Paid

There was no dividend paid during the current quarter and financial year to date.

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

There were no changes in the composition of the Group during the current quarter and financial year to date.

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.	Nil

B NOTES TO BURSA MALAYSIA'S LISTING REQUIREMENT

B1. **Review of Performance**

For the quarter under review, the Group registered a lower revenue of RM10.3 million compared with RM22.6 million for previous corresponding quarter in 2015 attributed to the lower contribution from its townhouse development, Desa Saujana 2 @ Bandar Saujana Putra. Consequently the Group recorded a profit before tax of RM1.5 million as compared to a profit before tax of RM6.5 million for corresponding period last year.

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

For the quarter under review, the Group recorded higher revenue of RM10.3 million and profit before tax of RM1.5 million as compared to the preceding quarter's revenue of RM2.6 million and loss before tax of RM2.4 million. The higher revenue and profit for the current quarter was due to higher billings from its townhouse project.

B3. **Prospects**

The board expects the performance of the Group going forward to be impacted by various internal and external factors such as weak consumer sentiment, high household debt, increasing cost of living, slowdown in Malaysia & global economies and volatility of Ringgit.

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	465	465

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 March 2016 were as follows:

	As at 31/03/2016
	RM'000
Short term borrowings	
- Unsecured	-
- Secured	14,600
	<hr/>
	14,600
Long term borrowings	
- Unsecured	-
- Secured	15,788
	<hr/>
	15,788
Total	<hr/>
	30,388
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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 does not recommend the payment of any dividend for the current financial quarter ended 31 March 2016.

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 71,133,470 (2015: 73,181,588) 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 82,114,608 (2015 : 79,416,244) 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.

	31/03/2016
	RM'000
Total Accumulated Profit/(Loss) - Realised	(83,351)
- Unrealised	5,368

	(77,983)
Less: Consolidation adjustments	17,820

Total Group Accumulated Losses	(60,163)

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	4	4
b) Dividend income and other income	10	10
c) Interest expenses	(57)	(57)
d) Depreciation and amortization	(198)	(198)
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)	2	2