

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

	<b>Unaudited As at end of Current Quarter 30 Sept 2016 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec 2015 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,324	1,612
Investment Properties	28,129	28,129
Investment in Associated Co.	26	26
Other Investment	1,993	969
Development Expenditure	20,105	20,460
	51,577	51,196
<b>Current Assets</b>		
Inventories	2,073	2,073
Property Development Expenditure	45,660	62,049
Trade Receivables	7,785	1,790
Other Receivables	1,435	2,060
Accrued Billings	404	9,985
Land Available for Sale	0	27,127
Amount Owing by an Associate Company	6,100	6,060
Tax Recoverable	511	486
Money Market Funds	31,873	0
Fixed Deposits	143	161
Cash held under Housing Development Act	697	1,487
Cash and Bank balances	3,276	3,949
	99,957	117,227
<b>Total Assets</b>	<b>151,534</b>	<b>168,423</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	77,786	75,110
Treasury Shares	(8,882)	(4,792)
Share Premium	107,932	107,798
Warrant Reserve	670	804
Accumulated Losses	(44,859)	(61,221)
	132,647	117,699
Non-controlling Interest	240	240
<b>Total Equity</b>	<b>132,887</b>	<b>117,939</b>

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	<b>Unaudited As at end of Current Quarter 30 Sept 2016 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec 2015 RM'000</b>
<b>Non-Current Liabilities</b>		
Bank Borrowing	7,361	16,728
Deferred tax	142	142
	7,503	16,870
<b>Current Liabilities</b>		
Trade Payables	2,245	4,720
Other Payables	7,000	18,422
Bank Borrowings	1,465	9,060
Tax Payable	434	1,412
	11,144	33,614
<b>Total Liabilities</b>	18,647	50,484
<b>Total Equity and Liabilities</b>	151,534	168,423
<b>Net assets per share (RM)</b>	1.71	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 30/09/2016 RM'000	Preceding Year Corresponding Quarter 30/09/2015 RM'000	Current Year To date 30/09/2016 RM'000	Preceding Year Corresponding Period 30/09/2015 RM'000
Revenue	2,565	16,609	25,910	81,710
Other Operating Incomes	56	52	21,119	232
Operating Expenses	(2,463)	(11,933)	(23,493)	(56,513)
Finance Costs	(182)	(236)	(687)	(1,106)
Share of Loss on Associated Company	0	0	0	0
Profit/(Loss) before Taxation	<u>(24)</u>	<u>4,492</u>	<u>22,849</u>	<u>24,323</u>
Income Tax	(349)	(1,510)	(1,516)	(6,820)
Profit/(Loss) after Taxation	<u><u>(373)</u></u>	<u><u>2,982</u></u>	<u><u>21,333</u></u>	<u><u>17,503</u></u>
Attributable to:				
Equity holders	(373)	2,982	21,333	17,503
Non-controlling Interest	0	0	0	0
Profit for the Period	<u><u>(373)</u></u>	<u><u>2,982</u></u>	<u><u>21,333</u></u>	<u><u>17,503</u></u>
<b>Profit for the Period</b>	(373)	2,982	21,333	17,503
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>(373)</u></u>	<u><u>2,982</u></u>	<u><u>21,333</u></u>	<u><u>17,503</u></u>

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 30/09/2016 RM'000	Preceding Year Corresponding Quarter 30/09/2015 RM'000	Current Year To date 30/09/2016 RM'000	Preceding Year Corresponding Period 30/09/2015 RM'000
<b>Total comprehensive income</b>				
Equity holders	(373)	2,982	21,333	17,503
Non controlling interest	0	0	0	0
	<u>(373)</u>	<u>2,982</u>	<u>21,333</u>	<u>17,503</u>
<b>Earnings per share attributable to equity holders</b>				
Basic earnings/(loss) per share (sen)	(0.01)	4.2	30.1	24.4
Diluted earning/(loss) per share (sen)	(0.01)	3.7	26.0	21.8

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					
<b>At 1 Jan. 2015</b>	72,484	107,660	900	(73,262)	(1)	107,781	242	108,023
Net profit for the year				17,503		17,503	-	17,503
Issue of shares	838	42				880	-	880
Share buy-back					(4,523)	(4,523)	-	(4,523)
Transfer to share premium for warrant conversion		7	(7)			0	-	0
<b>As at 30 Sept 2015</b>	<b>73,322</b>	<b>107,709</b>	<b>893</b>	<b>(55,759)</b>	<b>(4,524)</b>	<b>121,641</b>	<b>242</b>	<b>121,883</b>
<b>As at 1 Jan. 2016</b>	75,110	107,798	804	(61,221)	(4,792)	117,699	240	117,939
Net profit for the year				21,333		21,333	0	21,333
Issue of Shares	2,676					2,676	0	2,676
Shares buy-back					(4,090)	(4,090)	0	(4,090)
Transfer to share premium for warrant conversion		134	(134)			0	0	0
Dividend				(4,971)		(4,971)	0	(4,971)
<b>As at 30 Sept 2016</b>	<b>77,786</b>	<b>107,932</b>	<b>670</b>	<b>(44,859)</b>	<b>(8,882)</b>	<b>132,647</b>	<b>240</b>	<b>132,887</b>

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**

	<b>9 months ended</b>	
	<b>30.09.2016</b>	<b>30.09.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from/(used in) operation activities	49,935	31,157
Net cash generated from/(used in) investing activities	(1,150)	(506)
Net cash generated from/(used in) financing activities	(18,375)	(21,731)
Net increase/(decrease) in cash and cash equivalent	<u>30,410</u>	<u>8,920</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>35,846</u></u>	<u><u>11,324</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	3,276	7,977
Cash held under Housing Development Accounts	697	346
Money Market Funds	31,873	-
Deposits with Licensed Banks	143	3,154
	<u>35,989</u>	<u>11,477</u>
Less: Fixed Deposit pledged to licensed banks	(143)	(153)
Overdraft	-	-
	<u><u>35,846</u></u>	<u><u>11,324</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 2,676,100 ordinary shares of RM1.00 each at RM1.00 pursuant to its warrant conversion;
- iii) Share buyback of 2,987,000 shares at an average cost of RM1.37 per share.

**A8. Dividend Paid**

The Company declared and paid an interim single tier dividend of 7 sen per share for the financial year ending 31 Dec 2016 on 30 Sept 2016 amounting RM4,971,084.79 during the financial quarter.

**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	34,250,000

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 RM2.6 million compared with RM16.6 million for previous corresponding quarter in 2015 attributed to the completion of its townhouse development, Desa Saujana 2 @ Bandar Saujana Putra. Consequently the Group recorded a marginal loss before tax of RM0.02 million as compared to a profit before tax of RM4.5 million for corresponding period last year.

The cumulative periods recorded a lower revenue of RM25.9 million as compared to RM81.7 million in the previous corresponding period. Despite a much lower revenue, the Group recorded a lower profit before tax of RM22.9 million as compared to RM24.3 million for previous corresponding period as the profit was mainly contributed from its Penang land sale.

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

For the quarter under review, the Group recorded lower revenue of RM2.6 million and loss before tax of RM0.02 million as compared to the preceding quarter's revenue of RM13.1 million and profit before tax of RM21.3 million. The lower revenue and profit for the current quarter was completion of its townhouse project and the preceding quarter was boosted by its Penang land sale profit.

**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 local currency.

**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	349	1,516

The effective tax rate of the Group was lower than the prevailing statutory tax rate due to certain income was subject to lower tax rate.

**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 share premium reduction involving the reduction of the share premium account of the Company pursuant to the Companies Act, 1965 and such credit will be utilized to fully eliminate the accumulated losses at the Company level as at 31 December 2015.

**B8. Borrowings and Debts Securities**

Total Group borrowings as at 30 Sept 2016 were as follows:

	<b>As at 30/09/2016 RM'000</b>
Short term borrowings	
- Unsecured	-
- Secured	1,465
	<hr/> 1,465
Long term borrowings	
- Unsecured	-
- Secured	7,361
	<hr/> 7,361
Total	<hr/> 8,826

**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 single tier interim dividend of 7 sen per share for financial year ending 31 December 2016 was paid on 30 Sept 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 70,784,139 (2015: 73,173,944) 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 82,117,468 (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.

	<b>31/09/2016</b>
	<b>RM'000</b>
Total Accumulated Profit/(Loss) - Realised	(68,047)
- Unrealised	5,368
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	(62,679)
Less: Consolidation adjustments	17,820
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Total Group Accumulated Losses	(44,859)
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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	102	412
b) Dividend income and other income	24	55
c) Interest expenses	239	687
d) Depreciation and amortization	209	615
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	61	200
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	36	37