

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

	<b>Unaudited As at end of Current Quarter 31 Dec 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	1,117	1,612
Investment Properties	28,129	28,129
Investment in Associated Co.	1	26
Other Investment	3,043	969
Development Expenditure	20,177	20,460
	52,467	51,196
<b>Current Assets</b>		
Inventories	2,073	2,073
Property Development Expenditure	47,931	62,049
Trade Receivables	5,563	1,790
Other Receivables	1,426	2,060
Accrued Billings	0	9,985
Land Available for Sale	0	27,127
Amount Owing by an Associate Company	6,100	6,060
Tax Recoverable	352	486
Money Market Funds	32,225	0
Fixed Deposits	147	161
Cash held under Housing Development Act	265	1,487
Cash and Bank balances	3,683	3,949
	99,765	117,227
<b>Total Assets</b>	152,232	168,423

**EQUITY AND LIABILITIES**

**Equity attributable to equity holders of the parent**

Share Capital	78,220	75,110
Treasury Shares	(8,883)	(4,792)
Share Premium	107,954	107,798
Warrant Reserve	648	804
Accumulated Losses	(44,425)	(61,221)
	133,514	117,699
Non-controlling Interest	237	240
<b>Total Equity</b>	133,751	117,939

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	<b>Unaudited As at end of Current Quarter 31 Dec 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	7,433	16,728
Deferred tax	142	142
	7,575	16,870
<b>Current Liabilities</b>		
Trade Payables	2,244	4,720
Progress Billings	103	
Other Payables	7,156	18,422
Bank Borrowings	1,041	9,060
Tax Payable	362	1,412
	10,906	33,614
<b>Total Liabilities</b>	18,481	50,484
<b>Total Equity and Liabilities</b>	152,232	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 31/12/2016 RM'000	Preceding Year Corresponding Quarter 31/12/2015 RM'000	Current Year To date 31/12/2016 RM'000	Preceding Year Corresponding Period 31/12/2015 RM'000
Revenue	1,989	2,590	27,899	84,299
Other Operating Incomes	313	364	21,432	596
Operating Expenses	(1,522)	(5,164)	(25,015)	(61,677)
Finance Costs	(23)	(213)	(710)	(1,319)
Share of Loss on Associated Company	(22)	(22)	(26)	(22)
Profit/(Loss) before Taxation	<u>735</u>	<u>(2,445)</u>	<u>23,580</u>	<u>21,877</u>
Income Tax	(299)	552	(1,815)	(6,268)
Profit/(Loss) after Taxation	<u><u>436</u></u>	<u><u>(1,893)</u></u>	<u><u>21,765</u></u>	<u><u>15,609</u></u>
Attributable to:				
Equity holders	438	(1,891)	21,767	15,609
Non-controlling Interest	(2)	(2)	(2)	(2)
Profit for the Period	<u><u>436</u></u>	<u><u>(1,893)</u></u>	<u><u>21,765</u></u>	<u><u>15,607</u></u>
<b>Profit for the Period</b>	438	(1,891)	21,767	15,609
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>438</u></u>	<u><u>(1,891)</u></u>	<u><u>21,767</u></u>	<u><u>15,609</u></u>

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Corresponding Quarter 31/12/2015 RM'000	Current Year To date 31/12/2016 RM'000	Preceding Year Corresponding Period 31/12/2015 RM'000
<b>Total comprehensive income</b>				
Equity holders	438	(1,891)	21,767	15,609
Non controlling interest	<u>(2)</u>	<u>0</u>	<u>0</u>	<u>(2)</u>
	<u>436</u>	<u>(1,891)</u>	<u>21,767</u>	<u>15,607</u>
<b>Earnings per share attributable to equity holders</b>				
Basic earnings/(loss) per share (sen)	0.01	(2.6)	30.7	21.7
Diluted earning/(loss) per share (sen)	0.01	(2.4)	28.8	19.8

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	(73,261)	(1)	107,782	242	108,024
Net profit for the year				15,610		15,610	(2)	15,608
Issue of shares	2,626	42				2,668	-	2,668
Share buy-back					(4,791)	(4,791)	-	(4,791)
Transfer to share premium for warrant conversion		96	(96)			0	-	0
Dividend Paid				(3,570)		(3,570)	-	(3,570)
<b>As at 31 Dec 2015</b>	<b>75,110</b>	<b>107,798</b>	<b>804</b>	<b>(61,221)</b>	<b>(4,792)</b>	<b>117,699</b>	<b>240</b>	<b>117,939</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				21,767		21,767	(3)	21,764
Issue of Shares	3,110					3,110	0	3,110
Shares buy-back					(4,091)	(4,091)	0	(4,091)
Transfer to share premium for warrant conversion		156	(156)			0	0	0
Dividend				(4,971)		(4,971)	0	(4,971)
<b>As at 31 Dec 2016</b>	<b>78,220</b>	<b>107,954</b>	<b>648</b>	<b>(44,425)</b>	<b>(8,883)</b>	<b>133,514</b>	<b>237</b>	<b>133,751</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**

	12 months ended	
	31.12.2016	31.12.2015
	RM'000	RM'000
Net cash generated from/(used in) operation activities	56,068	24,610
Net cash generated from/(used in) investing activities	(2,067)	(482)
Net cash generated from/(used in) financing activities	(23,266)	(21,097)
Net increase/(decrease) in cash and cash equivalent	<u>30,735</u>	<u>3,031</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>36,171</u></u>	<u><u>5,435</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	3,681	3,948
Cash held under Housing Development Accounts	265	1,487
Money Market Funds	32,225	-
Deposits with Licensed Banks	147	161
	<u>36,318</u>	<u>5,596</u>
Less: Fixed Deposit pledged to licensed banks	(147)	(161)
Overdraft	-	-
	<u><u>36,171</u></u>	<u><u>5,435</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 3,110,400 ordinary shares of RM1.00 each at RM1.00 pursuant to its warrant conversion;
- iii) Share buyback of 2,988,000 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	21,250,000

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 RM2.0 million compared with RM2.6 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 profit before tax of RM0.74 million as compared to a loss before tax of RM2.45 million for corresponding period last year.

The current financial year recorded a lower revenue of RM27.9 million as compared to RM84.3 million in the previous corresponding period. Despite a much lower revenue, the Group recorded a higher profit before tax of RM23.6 million as compared to RM21.9 million for previous corresponding year as the current 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 RM2.0 million and profit before tax of RM0.74 million as compared to the preceding quarter's revenue of RM2.6 million and a marginal loss before tax of RM0.02 million. The lower revenue and higher profit for the current quarter was due to completion of 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 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	299	1,815

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. This application is still pending court hearing.

**B8. Borrowings and Debts Securities**

Total Group borrowings as at 31 Dec 2016 were as follows:

	<b>As at 31/12/2016 RM'000</b>
Short term borrowings	
- Unsecured	-
- Secured	1,041
	<hr/> 1,041
Long term borrowings	
- Unsecured	-
- Secured	7,433
	<hr/> 7,433
Total	<hr/> 8,474

**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**

There is no dividend 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 70,828,644 (2015: 71,865,526) 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 75,508,205 (2015 : 78,781,018) 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>31/12/2016</b>
	<b>RM'000</b>
Total Accumulated Profit/(Loss) - Realised	(67,613)
- Unrealised	5,368
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	(62,245)
Less: Consolidation adjustments	17,820
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Total Group Accumulated Losses	(44,425)
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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	258	670
b) Dividend income and other income	46	101
c) Interest expenses	23	710
d) Depreciation and amortization	207	822
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	11	211
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	148	185