

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

	<b>Unaudited As at end of Current Quarter 30 June 2017 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec. 2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	719	1,116
Investment Properties	28,129	28,129
Investment in Associated Co.	1	1
Development Expenditure	23,127	22,974
	51,976	52,220
<b>Current Assets</b>		
Other Investment	4,715	3,043
Inventories	2,073	2,073
Property Development Expenditure	44,953	49,374
Trade Receivables	5,180	5,701
Other Receivables	1,849	1,426
Accrued Billings	2,988	4,086
Amount Owing by an Associate Company	6,160	6,100
Tax Recoverable	352	352
Money Market Funds	25,356	32,225
Fixed Deposits	147	147
Cash held under Housing Development Act	252	265
Cash and Bank balances	1,529	3,682
	95,554	108,474
<b>Total Assets</b>	<b>147,530</b>	<b>160,694</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	80,479	78,220
Treasury Shares	(8,883)	(8,883)
Share Premium	21,113	107,953
Warrant Reserve	536	648
Accumulated Profit/(Loss)	36,895	(44,620)
	130,140	133,318
Non-controlling Interest	237	237
<b>Total Equity</b>	<b>130,377</b>	<b>133,555</b>

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	<b>Unaudited As at end of Current Quarter 30 June 2017 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec 2016 RM'000</b>
<b>Non-Current Liabilities</b>		
Bank Borrowing	7,460	7,613
Deferred tax	138	138
	7,598	7,751
<b>Current Liabilities</b>		
Trade Payables	1,724	2,270
Progress Billings	103	8,403
Other Payables	6,831	7,294
Bank Borrowings	637	860
Tax Payable	260	561
	9,555	19,388
<b>Total Liabilities</b>	17,153	27,139
<b>Total Equity and Liabilities</b>	147,530	160,694
<b>Net assets per share (RM)</b>	1.62	1.70

The condensed consolidated balance sheet should be read in conjunction with the financial statement for the year ended 31 Dec 2016 and the accompanying explanatory.

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 30/06/2017 RM'000	Preceding Year Corresponding Quarter 30/06/2016 RM'000	Current Year To date 30/06/2017 RM'000	Preceding Year Corresponding Period 30/06/2016 RM'000
Revenue	1,794	13,071	2,885	23,345
Other Operating Incomes	73	20,725	676	21,063
Operating Expenses	(1,709)	(11,997)	(3,650)	(21,030)
Finance Costs	0	(448)	0	(505)
Share of Loss on Associated Company	0	0	0	0
Profit/(Loss) before Taxation	<u>158</u>	<u>21,351</u>	<u>(89)</u>	<u>22,873</u>
Income Tax	(120)	(702)	(170)	(1,167)
Profit/(Loss) after Taxation	<u><u>38</u></u>	<u><u>20,649</u></u>	<u><u>(259)</u></u>	<u><u>21,706</u></u>
Attributable to:				
Equity holders	38	20,649	(259)	21,706
Non-controlling Interest	0	0	0	0
Profit for the Period	<u><u>38</u></u>	<u><u>20,649</u></u>	<u><u>(259)</u></u>	<u><u>21,706</u></u>
<b>Profit for the Period</b>	38	20,649	(259)	21,706
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>38</u></u>	<u><u>20,649</u></u>	<u><u>(259)</u></u>	<u><u>21,706</u></u>

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 30/06/2017 RM'000	Preceding Year Corresponding Quarter 30/06/2016 RM'000	Current Year To date 30/06/2017 RM'000	Preceding Year Corresponding Period 30/06/2016 RM'000
<b>Total comprehensive income</b>				
Equity holders	38	20,649	(259)	21,706
Non controlling interest	0	0	0	0
	<u>38</u>	<u>20,649</u>	<u>(259)</u>	<u>21,706</u>
<b>Earnings per share attributable to equity holders</b>				
Basic earnings/(loss) per share (sen)	0.0005	29.5	(0.003)	30.1
Diluted earning/(loss) per share (sen)	0.0005	25.2	(0.003)	26.4

The condensed consolidated Income Statement should be read in conjunction with the Financial Statements for the year ended 31 December 2016

**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. 2016</b>	75,110	107,798	804	(61,221)	(4,792)	117,699	240	117,939
Net profit for the year				21,706		21,706	-	21,706
Issue of shares	440					440	-	440
Share buy-back					(4,090)	(4,090)	-	(4,090)
Transfer to share premium for warrant conversion		22	(22)			0	-	0
<b>As at 30 June 2016</b>	<b>75,550</b>	<b>107,820</b>	<b>782</b>	<b>(39,515)</b>	<b>(8,882)</b>	<b>135,755</b>	<b>240</b>	<b>135,995</b>
<b>As at 1 Jan. 2017</b>	78,220	107,954	648	(44,620)	(8,883)	133,319	237	133,556
Net profit for the year				(259)		(259)	-	(259)
Issue of Shares	2,259					2,259	0	2,259
Transfer to share premium for warrant conversion		112	(112)			0	0	0
Share Premium Reduction		(86,953)		86,953		0	0	0
Dividend				(5,179)		(5,179)	0	(5,179)
<b>As at 30 June 2017</b>	<b>80,479</b>	<b>21,113</b>	<b>536</b>	<b>36,895</b>	<b>(8,883)</b>	<b>130,140</b>	<b>237</b>	<b>130,377</b>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 31 December 2016

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Cash Flow Statement**

	<b>6 months ended</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from/(used in) operation activities	(9,759)	46,477
Net cash generated from/(used in) investing activities	(1,270)	(228)
Net cash generated from/(used in) financing activities	1,994	(15,584)
Net increase/(decrease) in cash and cash equivalent	<u>(9,035)</u>	<u>30,665</u>
Cash and cash equivalent at beginning of the year	36,232	5,436
Cash and cash equivalent at end of the period	<u><u>27,197</u></u>	<u><u>36,101</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	1,529	2,739
Cash held under Housing Development Accounts	252	301
Money Market Funds	25,355	33,061
Deposits with Licensed Banks	147	143
	<u>27,283</u>	<u>36,244</u>
Less: Fixed Deposit pledged to licensed banks	(86)	(143)
Overdraft	-	-
	<u><u>27,197</u></u>	<u><u>36,101</u></u>

The Condensed Consolidated cashflow statement should be read in conjunction with the Financial Statement for the Year ended 31 December 2016

## **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 2016.

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 2016.

### **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 2017 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 2017 will not have any material impact on the financial statements of the Group and the Company in the period of initial application.

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 2016.

### **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 2,258,400 ordinary shares at issuance price of RM1.00 pursuant to its warrant conversion;

**A8. Dividend Paid**

The Company paid an interim dividend of 7.0 sen (2016: 7 sen) for each ordinary share amounting to RM5,179,174 (2016: RM4,971,085) in respect of the financial year ending 31 December 2017 on 30 June 2017.

**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 RM1.8 million compared with RM13.1 million for previous corresponding quarter in 2016 due to delay in launching new development project. Consequently the Group recorded a marginal profit before tax of RM0.2 million as compared to profit before tax of RM21.4 million for corresponding period last year which was aided by gain in disposal of a piece of land.

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

For the quarter under review, the Group recorded a revenue of RM1.8 million and profit before tax of RM0.2 million as compared to the preceding quarter's revenue of RM1.0 million and a marginal loss before tax of RM0.3 million. The slightly higher revenue and marginal profit for the current quarter was due to increase in investment income.

**B3. Prospects**

The board expects the performance of the Group to be impacted by delay in launching new development projects.

**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	120	170

The effective tax rate of the Group was higher than the prevailing statutory tax rate due to certain losses at the subsidiary level cannot be offset against profit.

**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.

**B8. Borrowings and Debts Securities**

Total Group borrowings as at 30 June 2017 were as follows:

	<b>As at 30/06/2017 RM'000</b>
Short term borrowings	
- Unsecured	-
- Secured	637
	637
Long term borrowings	
- Unsecured	-
- Secured	7,460
	7,460
Total	8,097

**B9. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments for the current financial period todate.

**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 Board declared an interim dividend of 7 sen for each ordinary share in respect of financial year ending 31 December 2017 which was paid on 30 June 2017.

**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 73,222,458(2016: 70,036,526) 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 76,376,277 (2016 : 82,094,287) 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>30/06/2017</b>
	<b>RM'000</b>
Total Accumulated Profit/(Loss) - Realised	(60,277)
- Unrealised	11,480
Share premium reduction	86,656
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	37,859
Less: Consolidation adjustments	(964)
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Total Group Accumulated Profit	36,895
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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 Quarter RM'000</b>	<b>Cumulative Quarter RM'000</b>
a) Interest income	246	508
b) Dividend income and other income	65	103
c) Interest expenses	0	0
d) Depreciation and amortization	206	412
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	31	31
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	(21)	86