

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

	Unaudited As at end of Current Quarter 30 Sept 2017 RM'000	Audited As at preceding Financial Year End 31 Dec. 2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	578	1,116
Investment Properties	28,129	28,129
Investment in Associated Co.	1	1
Development Expenditure	23,267	22,974
	51,975	52,220
Current Assets		
Other Investment	4,604	3,043
Inventories	2,073	2,073
Property Development Expenditure	39,182	49,374
Trade Receivables	5,693	5,701
Other Receivables	1,836	1,426
Accrued Billings	8,537	4,086
Amount Owing by an Associate Company	6,160	6,100
Tax Recoverable	420	352
Money Market Funds	25,358	32,225
Fixed Deposits	147	147
Cash held under Housing Development Act	220	265
Cash and Bank balances	866	3,682
	95,096	108,474
Total Assets	147,071	160,694
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	80,685	78,220
Treasury Shares	(8,883)	(8,883)
Share Premium	21,124	107,953
Warrant Reserve	525	648
Accumulated Profit/(Loss)	37,024	(44,620)
	130,475	133,318
Non-controlling Interest	237	237
Total Equity	130,712	133,555

LBI CAPITAL BERHAD

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 30 Sept 2017 RM'000	Audited As at preceding Financial Year End 31 Dec 2016 RM'000
Non-Current Liabilities		
Bank Borrowing	7,223	7,613
Deferred tax	138	138
	7,361	7,751
Current Liabilities		
Trade Payables	1,724	2,270
Progress Billings	103	8,403
Other Payables	6,528	7,294
Bank Borrowings	637	860
Tax Payable	6	561
	8,998	19,388
Total Liabilities	16,359	27,139
Total Equity and Liabilities	147,071	160,694
Net assets per share (RM)	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 30/09/2017 RM'000	Preceding Year Corresponding Quarter 30/09/2016 RM'000	Current Year To date 30/09/2017 RM'000	Preceding Year Corresponding Period 30/09/2016 RM'000
Revenue	8,730	2,565	11,615	25,910
Other Operating Incomes	(181)	56	495	21,119
Operating Expenses	(8,375)	(2,463)	(12,025)	(23,493)
Finance Costs	0	(182)	0	(687)
Share of Loss on Associated Company	0	0	0	0
Profit/(Loss) before Taxation	<u>174</u>	<u>(24)</u>	<u>85</u>	<u>22,849</u>
Income Tax	(45)	(349)	(215)	(1,516)
Profit/(Loss) after Taxation	<u><u>129</u></u>	<u><u>(373)</u></u>	<u><u>(130)</u></u>	<u><u>21,333</u></u>
Attributable to:				
Equity holders	129	(373)	(130)	21,333
Non-controlling Interest	0	0	0	0
Profit for the Period	<u><u>129</u></u>	<u><u>(373)</u></u>	<u><u>(130)</u></u>	<u><u>21,333</u></u>
Profit for the Period	129	(373)	(130)	21,333
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u><u>129</u></u>	<u><u>(373)</u></u>	<u><u>(130)</u></u>	<u><u>21,333</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
Total comprehensive income				
Equity holders	129	(373)	(130)	21,333
Non controlling interest	0	0	0	0
	<u>129</u>	<u>(373)</u>	<u>(130)</u>	<u>21,333</u>
Earnings per share attributable to equity holders				
Basic earnings/(loss) per share (sen)	0.002	(0.01)	(0.002)	30.1
Diluted earning/(loss) per share (sen)	0.002	(0.01)	(0.002)	26.0

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
At 1 Jan. 2016	75,110	107,798	804	(61,221)	(4,792)	117,699	240	117,939
Net profit for the year				21,333		21,333	-	21,333
Issue of shares	2,676					2,676	-	2,676
Share buy-back					(4,090)	(4,090)	-	(4,090)
Transfer to share premium for warrant conversion		134	(134)			0	-	0
Dividend				(4,971)		(4,971)		(4,971)
As at 30 Sept 2016	77,786	107,932	670	(44,859)	(8,882)	132,647	240	132,887
As at 1 Jan. 2017	78,220	107,954	648	(44,620)	(8,883)	133,319	237	133,556
Net profit for the year				(130)		(130)	-	(130)
Issue of Shares	2,465					2,465	0	2,465
Transfer to share premium for warrant conversion		123	(123)			0	0	0
Share Premium Reduction		(86,953)		86,953		0	0	0
Dividend				(5,179)		(5,179)	0	(5,179)
As at 30 Sept 2017	80,685	21,124	525	37,024	(8,883)	130,475	237	130,712

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

	9 months ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
Net cash generated from/(used in) operation activities	(10,289)	49,935
Net cash generated from/(used in) investing activities	(1,414)	(1,150)
Net cash generated from/(used in) financing activities	1,976	(18,375)
Net increase/(decrease) in cash and cash equivalent	<u>(9,727)</u>	<u>30,410</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>26,505</u></u>	<u><u>35,846</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	866	3,276
Cash held under Housing Development Accounts	220	697
Money Market Funds	25,358	31,873
Deposits with Licensed Banks	147	143
	<u>26,591</u>	<u>35,989</u>
Less: Fixed Deposit pledged to licensed banks	(86)	(143)
Overdraft	-	-
	<u><u>26,505</u></u>	<u><u>35,846</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 2,465,100 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 higher revenue of RM8.7 million compared with RM2.6 million for previous corresponding quarter in 2016 due to contribution from the sale of its bungalow lots in Section 14, Petaling Jaya. Consequently the Group recorded a marginal profit before tax of RM0.2 million as compared to loss before tax of RM0.02 million for corresponding period last year.

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

For the quarter under review, the Group recorded a revenue of RM8.7 million and profit before tax of RM0.2 million as compared to the preceding quarter's revenue of RM1.8 million and a profit before tax of RM0.2 million. The higher revenue and marginal profit for the current quarter was due to sale of bungalow lots which has not much of profit margin.

B3. **Prospects**

The board expects the performance of the Group to be impacted by delay in launching new development projects for the current financial year and its results is dependent of its sale from its landowner entitlement on its joint venture project, Midhills at Genting.

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	45	215

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 Sept 2017 were as follows:

	As at 30/09/2017 RM'000
Short term borrowings	
- Unsecured	-
- Secured	637
	<hr/> 637
Long term borrowings	
- Unsecured	-
- Secured	7,223
	<hr/> 7,223
Total	<hr/> 7,860

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 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 73,309,691(2016: 70,784,139) 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 76,430,508 (2016 : 82,117,468) 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.

	30/09/2017
	RM'000
Total Accumulated Profit/(Loss) - Realised	(60,148)
- Unrealised	11,480
Share premium reduction	86,656

	37,988
Less: Consolidation adjustments	(964)

Total Group Accumulated Profit	37,024

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	239	747
b) Dividend income and other income	95	198
c) Interest expenses	0	0
d) Depreciation and amortization	152	564
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	21	52
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	14	100