

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

	Unaudited As at end of Current Quarter 31 Dec 2017 RM'000	Audited As at preceding Financial Year End 31 Dec. 2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	465	1,116
Investment Properties	31,300	28,129
Investment in Associated Co.	1	1
Development Expenditure	23,331	22,974
	55,097	52,220
Current Assets		
Other Investment	4,280	3,043
Inventories	3,027	2,073
Property Development Expenditure	38,225	49,374
Trade Receivables	7,485	5,701
Other Receivables	990	1,426
Accrued Billings	9,138	4,086
Amount Owing by an Associate Company	6,160	6,100
Tax Recoverable	394	352
Money Market Funds	25,081	32,225
Fixed Deposits	148	147
Cash held under Housing Development Act	221	265
Cash and Bank balances	993	3,682
	96,142	108,474
Total Assets	151,239	160,694
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	80,714	78,220
Treasury Shares	(8,883)	(8,883)
Share Premium	21,125	107,953
Warrant Reserve	524	648
Accumulated Profit/(Loss)	41,773	(44,620)
	135,253	133,318
Non-controlling Interest	234	237
Total Equity	135,487	133,555

LBI CAPITAL BERHAD

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 31 Dec 2017 RM'000	Audited As at preceding Financial Year End 31 Dec 2016 RM'000
Non-Current Liabilities		
Bank Borrowing	6,793	7,613
Deferred tax	138	138
	6,931	7,751
Current Liabilities		
Trade Payables	1,724	2,270
Progress Billings	0	8,403
Other Payables	5,948	7,294
Bank Borrowings	863	860
Tax Payable	286	561
	8,821	19,388
Total Liabilities	15,752	27,139
Total Equity and Liabilities	151,239	160,694
Net assets per share (RM)	1.68	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 31/12/2017 RM'000	Preceding Year Corresponding Quarter 31/12/2016 RM'000	Current Year To date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000
Revenue	3,149	1,989	14,764	27,273
Other Operating Incomes	3,185	313	3,680	23,779
Operating Expenses	(1,263)	(1,522)	(13,288)	(24,941)
Finance Costs	0	(23)	0	(783)
Share of Loss on Associated Company	0	(22)	0	(26)
Profit/(Loss) before Taxation	<u>5,071</u>	<u>735</u>	<u>5,156</u>	<u>25,302</u>
Income Tax	(325)	(299)	(540)	(3,732)
Profit/(Loss) after Taxation	<u>4,746</u>	<u>436</u>	<u>4,616</u>	<u>21,570</u>
Attributable to:				
Equity holders	4,749	438	4,619	21,572
Non-controlling Interest	(3)	(2)	(3)	(2)
Profit for the Period	<u>4,746</u>	<u>436</u>	<u>4,616</u>	<u>21,570</u>
Profit for the Period	4,749	438	4,619	21,572
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u>4,749</u>	<u>438</u>	<u>4,619</u>	<u>21,572</u>

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Corresponding Quarter 31/12/2016 RM'000	Current Year To date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000
Total comprehensive income				
Equity holders	4,749	438	4,619	21,572
Non controlling interest	(3)	(2)	(3)	(2)
	<u>4,746</u>	<u>436</u>	<u>4,616</u>	<u>21,570</u>
Earnings per share attributable to equity holders				
Basic earnings/(loss) per share (sen)	6.5	0.6	6.3	30.4
Diluted earning/(loss) per share (sen)	6.2	0.6	6.1	28.6

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----->			Retained Earning/ (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	239	117,938
Net profit for the year				21,572		21,572	(2)	21,570
Issue of shares	3,110					3,110	-	3,110
Share buy-back					(4,091)	(4,091)	-	(4,091)
Transfer to share premium for warrant conversion		156	(156)			0	-	0
Dividend				(4,971)		(4,971)		(4,971)
As at 31 Dec 2016	78,220	107,954	648	(44,620)	(8,883)	133,319	237	133,556
As at 1 Jan. 2017	78,220	107,954	648	(44,620)	(8,883)	133,319	237	133,556
Net profit for the year				4,619		4,619	-	4,619
Issue of Shares	2,494					2,494	0	2,494
Transfer to share premium for warrant conversion		124	(124)			0	0	0
Share Premium Reduction		(86,953)		86,953		0	(3)	(3)
Dividend				(5,179)		(5,179)	0	(5,179)
As at 31 Dec. 2017	80,714	21,125	524	41,773	(8,883)	135,253	234	135,487

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

	12 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Net cash generated from/(used in) operation activities	(5,331)	15,476
Net cash generated from/(used in) investing activities	(1,167)	38,622
Net cash generated from/(used in) financing activities	(3,416)	(23,374)
Net increase/(decrease) in cash and cash equivalent	<u>(9,914)</u>	<u>30,724</u>
Cash and cash equivalent at beginning of the year	36,232	5,508
Cash and cash equivalent at end of the period	<u><u>26,318</u></u>	<u><u>36,232</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	993	3,682
Cash held under Housing Development Accounts	221	265
Money Market Funds	25,081	32,225
Deposits with Licensed Banks	147	147
	<u>26,442</u>	<u>36,319</u>
Less: Fixed Deposit pledged to licensed banks	(87)	(87)
Overdraft	(37)	-
	<u><u>26,318</u></u>	<u><u>36,232</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 2,494,100 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 ended 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 RM3.1 million compared with RM2.0 million for previous corresponding quarter in 2016 due to contribution from its Section 14, Petaling Jaya and Midhills projects . Consequently the Group recorded a higher profit before tax of RM5.1 million as compared to RM0.7 million for corresponding period last year. The current quarter profit was boosted by a RM3.1 million fair value gain from its investment properties.

The Group achieved a lower revenue of RM14.8 million in the current financial year as compared to RM27.3 million revenue in the previous corresponding year. This is attributed to delay in launching its new projects. It recorded a profit before tax of RM5.2 million in the current financial year as compared to RM25.3 million previous year due to mainly gain arising from disposal of its Penang land in the preceding year.

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

For the quarter under review, the Group recorded a revenue of RM3.1 million and profit before tax of RM5.1 million as compared to the preceding quarter's revenue of RM8.7 million and a profit before tax of RM0.2 million. Despite the lower revenue, the Group has recorded a higher profit before tax than preceding quarter due to fair value gain on its investment properties whereas the marginal profit for the preceding quarter was due to sale of bungalow lots which have very low profit margin.

B3. Prospects

The board expects the performance of the Group in the coming year to be better than last year with the launch of its new projects in the current financial year despite property market generally is expected to be soft.

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	325	540

The effective tax rate of the Group was lower than the prevailing statutory tax rate due to certain income is not taxable.

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 31 Dec 2017 were as follows:

	As at 31/12/2017
	RM'000
Short term borrowings	
- Unsecured	-
- Secured	863
	<hr/>
	663
Long term borrowings	
- Unsecured	-
- Secured	6,793
	<hr/>
	6,793
Total	<hr/>
	7,656
	<hr/>

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 declared an interim dividend of 3 sen for each ordinary share and a distribution of 4 treasury shares for every 100 ordinary shares held on an entitlement date to be determined later in respect of financial year ending 31 December 2018.

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 73,315,025 (2016: 70,784,644) 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 76,007,049 (2016 : 75,508,205) 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.

	31/12/2017
	RM'000
Total Accumulated Profit/(Loss) - Realised	(58,570)
- Unrealised	14,651
Share premium reduction	86,656

	42,737
Less: Consolidation adjustments	(964)

Total Group Accumulated Profit	<u>41,773</u>

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	223	970
b) Dividend income and other income	68	266
c) Interest expenses	0	0
d) Depreciation and amortization	117	681
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	139	191
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	(10)	90