

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

	<b>Unaudited As at end of Current Quarter 30 June 2018 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec. 2017 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	393	465
Investment Properties	31,300	31,300
Investment in Associated Co.	1	1
Development Expenditure	23,451	23,331
	55,145	55,097
<b>Current Assets</b>		
Other Investment	3,843	4,280
Inventories	3,019	3,027
Property Development Expenditure	35,973	45,154
Trade Receivables	6,100	7,485
Other Receivables	1,984	990
Accrued Billings	11,032	10,467
Amount Owing by an Associate Company	6,200	6,160
Tax Recoverable	304	397
Money Market Funds	23,332	25,081
Fixed Deposits	152	151
Cash held under Housing Development Act	224	221
Cash and Bank balances	2,757	993
	94,920	104,406
<b>Total Assets</b>	<b>150,065</b>	<b>159,503</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	103,809	101,840
Treasury Shares	(4,294)	(8,883)
Warrant Reserve	0	524
Retained Earnings	34,965	41,776
	134,480	135,257
Non-controlling Interest	234	234
<b>Total Equity</b>	<b>134,714</b>	<b>135,491</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 2018 RM'000</b>	<b>Audited As at preceding Financial Year End 31 Dec 2017 RM'000</b>
<b>Non-Current Liabilities</b>		
Bank Borrowing	6,296	6,463
Deferred tax	138	138
	6,434	6,601
<b>Current Liabilities</b>		
Trade Payables	909	1,681
Progress Billings	0	8,299
Other Payables	5,733	5,952
Bank Borrowings	1,941	1,193
Tax Payable	334	286
	8,917	17,411
<b>Total Liabilities</b>	15,351	24,012
<b>Total Equity and Liabilities</b>	150,065	159,503
<b>Net assets per share (RM)</b>	1.64	1.68

The condensed consolidated balance sheet should be read in conjunction with the financial statement for the year ended 31 Dec 2017 and the accompanying explanatory.

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 30/06/2018 RM'000	Preceding Year Corresponding Quarter 30/06/2017 RM'000	Current Year To date 30/06/2018 RM'000	Preceding Year Corresponding Period 30/06/2017 RM'000
Revenue	2,512	1,794	3,592	2,885
Other Operating Incomes	320	73	552	676
Operating Expenses	(1,761)	(1,709)	(3,956)	(3,650)
Finance Costs	(2)	0	(2)	0
Share of Loss on Associated Company	0	0	0	0
Profit/(Loss) before Taxation	<u>1,069</u>	<u>158</u>	<u>186</u>	<u>(89)</u>
Income Tax	(86)	(120)	(138)	(170)
Profit/(Loss) after Taxation	<u>983</u>	<u>38</u>	<u>48</u>	<u>(259)</u>
Attributable to:				
Equity holders	983	38	48	(259)
Non-controlling Interest	0	0	0	0
Profit for the Period	<u>983</u>	<u>38</u>	<u>48</u>	<u>(259)</u>
<b>Profit for the Period</b>	983	38	48	(259)
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u>983</u>	<u>38</u>	<u>48</u>	<u>(259)</u>

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Period		Cumulative Period	
	Current Year Quarter 30/06/2018 RM'000	Preceding Year Corresponding Quarter 30/06/2017 RM'000	Current Year To date 30/06/2018 RM'000	Preceding Year Corresponding Period 30/06/2017 RM'000
<b>Total comprehensive income</b>				
Equity holders	983	38	48	(259)
Non controlling interest	0	0	0	0
	<u>983</u>	<u>38</u>	<u>48</u>	<u>(259)</u>
<b>Earnings per share attributable to equity holders</b>				
Basic earnings/(loss) per share (sen)	1.3	0.0005	0.0006	(0.003)
Diluted earning/(loss) per share (sen)	1.3	0.0005	0.0006	(0.003)

The condensed consolidated Income Statement should be read in conjunction with the Financial Statements for the year ended 31 December 2017

**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
<b>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	-	2,259
Transfer to share premium for warrant conversion		112	(112)			0	-	0
Share Premium Reduction		(86,953)		86,953		0	-	0
Dividend				(5,179)		(5,179)	-	(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>
<b>As at 1 Jan. 2018</b>	101,840	0	523	41,776	(8,883)	135,256	234	135,490
Net loss for the period				48		48	-	48
Issue of Shares	1,446					1,446	0	1,446
Transfer to share premium	523		(523)			0	0	0
Distribution of Treasury shares					4,589	4,589	0	4,589
Dividend				(6,859)		(6,859)	0	(6,859)
<b>As at 30 June 2018</b>	<b>103,809</b>	<b>0</b>	<b>0</b>	<b>34,965</b>	<b>(4,294)</b>	<b>134,480</b>	<b>234</b>	<b>134,714</b>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Financial Statements for the year ended 31 December 2017

**LBI CAPITAL BERHAD**

(Company No. : 41412-X)

**Condensed Consolidated Cash Flow Statement**

	<b>6 months ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from/(used in) operation activities	362	(9,759)
Net cash generated from/(used in) investing activities	(101)	(1,270)
Net cash generated from/(used in) financing activities	(242)	1,994
Net increase/(decrease) in cash and cash equivalent	<u>19</u>	<u>(9,035)</u>
Cash and cash equivalent at beginning of the year	26,319	36,232
Cash and cash equivalent at end of the period	<u><u>26,338</u></u>	<u><u>27,197</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	2,758	1,529
Cash held under Housing Development Accounts	224	252
Money Market Funds	23,331	25,355
Deposits with Licensed Banks	152	147
	<u>26,465</u>	<u>27,283</u>
Less: Fixed Deposit pledged to licensed banks	<u>(127)</u>	<u>(86)</u>
	<u><u>26,338</u></u>	<u><u>27,197</u></u>

The Condensed Consolidated cashflow statement should be read in conjunction with the Financial Statement for the Year ended 31 December 2017

## **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 2017.

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 2017.

### **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 2018 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 2018 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 2017.

### **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 1,446,026 ordinary shares at issuance price of RM1.00 pursuant to its warrant conversion;

**A8. Dividend Paid**

The Company had paid an interim cash dividend of 3 sen per share (2017: 7 sen) and an interim share dividend on the basis of 4 treasury shares for every 100 existing shares held which was paid and distributed on 21 May 2018 in respect of the financial year ending 31 December 2018.

**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 RM2.51 million compared with RM1.80 million for previous corresponding quarter in 2017 arising from the contribution of its Midhills joint venture project. Consequently the Group recorded a profit before tax of RM1.07 million as compared to profit of RM0.16 million for corresponding period last year.

The Group achieved a higher revenue and profit before tax for the first half of the year compared to previous corresponding 6 months period last year. The low revenue for the current quarter is attributed to delay in launching its new projects.

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

For the quarter under review, the Group recorded a revenue of RM2.51 million and profit before tax of RM1.07 million as compared to the preceding quarter's revenue of RM1.08 million and a loss before tax of RM0.88 million. The better results due to better sale achieved from its Midhills joint venture project.

**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**

	<b>Current Quarter</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Current Year Provision	86	132

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 30 June 2018 were as follows:

	<b>As at 30/06/2018</b>
	<b>RM'000</b>
Short term borrowings	
- Unsecured	-
- Secured	1,941
	<hr/>
	1,941
Long term borrowings	
- Unsecured	-
- Secured	6,296
	<hr/>
	6,296
Total	<hr/>
	8,237
	<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 Company had paid an interim cash dividend of 3 sen per share (2017: 7 sen) and distributed an interim share dividend on the basis of 4 treasury shares for every 100 existing shares held on 21 May 2018 in respect of the 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 77,195,293 ( 2017: 72,334,622) 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 77,195,293 (2017: 75,739,992) 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>30/06/2018</b>
		<b>RM'000</b>
Total Retained Earnings	- Realised	20,703
	- Unrealised	14,651
		-----
		35,354
Less: Consolidation adjustments		(389)
		-----
Total Group Accumulated Profit		34,965
		-----

**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	245	434
b) Dividend income and other income	84	149
c) Interest expenses	2	2
d) Depreciation and amortization	59	133
e) Provision for /write off of receivable	0	0
f) Gain/(loss) on disposal of investments/property	0	0
g) Inventories written off	0	0
h) Foreign exchange gain/(loss)	1	18