

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

	Unaudited As at end of Current Quarter 30 Sept 2018 RM'000	Audited As at preceding Financial Year End 31 Dec. 2017 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	334	465
Investment Properties	31,300	31,300
Investment in Associated Co.	1	1
Development Expenditure	23,506	23,331
	55,141	55,097
Current Assets		
Other Investment	4,420	4,280
Inventories	3,019	3,027
Property Development Expenditure	40,926	45,154
Trade Receivables	8,276	7,485
Other Receivables	1,945	990
Accrued Billings	12,218	10,467
Amount Owing by an Associate Company	6,200	6,160
Tax Recoverable	304	397
Money Market Funds	21,189	25,081
Fixed Deposits	152	151
Cash held under Housing Development Act	225	221
Cash and Bank balances	2,022	993
	100,896	104,406
Total Assets	156,037	159,503
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	103,809	101,840
Treasury Shares	(4,294)	(8,883)
Warrant Reserve	0	524
Retained Earnings	37,817	41,776
	137,332	135,257
Non-controlling Interest	234	234
Total Equity	137,566	135,491

LBI CAPITAL BERHAD

(Company No. : 41412-X)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet

	Unaudited As at end of Current Quarter 30 June 2018 RM'000	Audited As at preceding Financial Year End 31 Dec 2017 RM'000
Non-Current Liabilities		
Bank Borrowing	4,987	6,463
Deferred tax	138	138
	5,125	6,601
Current Liabilities		
Trade Payables	3,409	1,681
Progress Billings	0	8,299
Other Payables	5,915	5,952
Bank Borrowings	3,020	1,193
Tax Payable	1,002	286
	13,346	17,411
Total Liabilities	18,471	24,012
Total Equity and Liabilities	156,037	159,503
Net assets per share (RM)	1.67	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 30/09/2018 RM'000	Preceding Year Corresponding Quarter 30/09/2017 RM'000	Current Year To date 30/09/2018 RM'000	Preceding Year Corresponding Period 30/09/2017 RM'000
Revenue	7,358	8,730	10,950	11,615
Other Operating Incomes	248	(181)	800	495
Operating Expenses	(3,743)	(8,375)	(7,699)	(12,025)
Finance Costs	(3)	0	(5)	0
Share of Loss on Associated Company	0	0	0	0
Profit/(Loss) before Taxation	<u>3,860</u>	<u>174</u>	<u>4,046</u>	<u>85</u>
Income Tax	(1,008)	(45)	(1,146)	(215)
Profit/(Loss) after Taxation	<u>2,852</u>	<u>129</u>	<u>2,900</u>	<u>(130)</u>
Attributable to:				
Equity holders	2,852	129	2,900	(130)
Non-controlling Interest	0	0	0	0
Profit for the Period	<u>2,852</u>	<u>129</u>	<u>2,900</u>	<u>(130)</u>
Profit for the Period	2,852	129	2,900	(130)
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	<u>2,852</u>	<u>129</u>	<u>2,900</u>	<u>(130)</u>

LBI CAPITAL BERHAD

(Company No. : 41412-X)

Condensed Consolidated Statement of Comprehensive Income

	Individual Period		Cumulative Period	
	Current Year Quarter 30/09/2018 RM'000	Preceding Year Corresponding Quarter 30/09/2017 RM'000	Current Year To date 30/09/2018 RM'000	Preceding Year Corresponding Period 30/09/2017 RM'000
Total comprehensive income				
Equity holders	2,852	129	2,900	(130)
Non controlling interest	0	0	0	0
	<u>2,852</u>	<u>129</u>	<u>2,900</u>	<u>(130)</u>
Earnings per share attributable to equity holders				
Basic earnings/(loss) per share (sen)	3.69	0.0020	3.80	(0.002)
Diluted earning/(loss) per share (sen)	3.69	0.0020	3.80	(0.002)

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
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	-	2,465
Transfer to share premium for warrant conversion		123	(123)			0	-	0
Share Premium Reduction		(86,953)		86,953		0	-	0
Dividend				(5,179)		(5,179)	-	(5,179)
As at 30 Sept 2017	80,685	21,124	525	37,024	(8,883)	130,475	237	130,712
As at 1 Jan. 2018	101,840	0	523	41,776	(8,883)	135,256	234	135,490
Net loss for the period				2,900		2,900	-	2,900
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)
As at 30 Sept 2018	103,809	0	0	37,817	(4,294)	137,332	234	137,566

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

	9 months ended	
	30.09.2018	30.09.2017
	RM'000	RM'000
Net cash generated from/(used in) operation activities	(1,418)	(10,289)
Net cash generated from/(used in) investing activities	(968)	(1,414)
Net cash generated from/(used in) financing activities	(472)	1,976
Net increase/(decrease) in cash and cash equivalent	<u>(2,858)</u>	<u>(9,727)</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>23,461</u></u>	<u><u>26,505</u></u>
Cash and cash equivalents comprises		
Cash and Bank Balances	2,022	866
Cash held under Housing Development Accounts	225	220
Money Market Funds	21,189	25,358
Deposits with Licensed Banks	152	147
	<u>23,588</u>	<u>26,591</u>
Less: Fixed Deposit pledged to licensed banks	<u>(127)</u>	<u>(86)</u>
	<u><u>23,461</u></u>	<u><u>26,505</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 slightly lower revenue of RM7.36 million compared with RM8.73 million for previous corresponding quarter in 2017 arising mainly from the contribution of its Midhills joint venture project. However the Group recorded a higher profit before tax of RM3.86 million as compared to profit of RM0.17 million for corresponding period last year.

The Group achieved a slightly lower revenue but higher profit before tax for the 9 months of the year compared to previous corresponding 9 months period last year. The lower revenue for the current period is attributed to slow take up rate its new project and difficulties faced by its purchasers of securing end-financing. The higher profit margin is due to higher margin from its Midhills project.

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

For the quarter under review, the Group recorded a revenue of RM7.36 million and profit before tax of RM3.86 million as compared to the preceding quarter's revenue of RM2.51 million and a profit before tax of RM1.07 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

	Current Quarter	Year-To-Date
	RM'000	RM'000
Current Year Provision	1,008	1,146

The effective tax rate of the Group was higher than the prevailing statutory tax rate due to certain expenses is not taxable deductible.

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 2018 were as follows:

	As at 30/09/2018 RM'000
Short term borrowings	
- Unsecured (RM)	-
- Secured (RM)	1,890
- Secured (foreign denominated loan)	1,140
	<hr/>
	3,030
	<hr/>
Long term borrowings	
- Unsecured (RM)	-
- Secured (RM)	4,987
	<hr/>
	4,987
	<hr/>
Total	8,017
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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 amounting to RM2,270,097 (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: 73,309,691) 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: 77,430,508) 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.

		30/09/2018
		RM'000
Total Retained Earnings	- Realised	23,555
	- Unrealised	14,651

		38,206
Less: Consolidation adjustments		(389)

Total Group Accumulated Profit		37,817

B14. Notes to the Condensed Consolidated Statement of Comprehensive Incomes

The following amounts have been credited/(charged) in arriving at profit before tax:

	Current	Cumulative
	Quarter	Quarter
	RM'000	RM'000
a) Interest income	209	649
b) Dividend income and other income	70	219
c) Interest expenses	(3)	(5)
d) Depreciation and amortization	59)	(192)
e) Foreign exchange gain/(loss)	25	43