

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement Of Financial Position
As at 31 October 2011

| | As at 31 October 2011 RM'000 | As at 30 April 2011 RM'000 |
|----------------------------------------------|------------------------------------|----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 212,754 | 212,648 |
| Intangible assets | 2 | 16 |
| Investment in associated company | 12,937 | 9,199 |
| Other investments | 410 | 450 |
| | <u>226,103</u> | <u>222,313</u> |
| Current assets | | |
| Inventories | 67,198 | 58,408 |
| Trade and other receivables | 84,563 | 73,477 |
| Tax recoverable | 1,206 | 955 |
| Short term deposits | 5,000 | 12,600 |
| Cash and bank balances | 3,829 | 3,165 |
| | <u>161,796</u> | <u>148,605</u> |
| TOTAL ASSETS | <u>387,899</u> | <u>370,918</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to ordinary shareholders | | |
| Share capital | 124,243 | 124,243 |
| Share premium | 1,528 | 1,528 |
| Reserves | | |
| Revaluation reserve | 9,268 | 9,268 |
| Exchange reserve | 435 | (388) |
| Retained profits | 78,949 | 72,918 |
| Total equity | <u>214,423</u> | <u>207,569</u> |
| Non-current liabilities | | |
| Bank borrowings (unsecured) | 40,000 | 40,000 |
| Deferred tax liabilities | 23,015 | 22,345 |
| | <u>63,015</u> | <u>62,345</u> |
| Current liabilities | | |
| Trade and other payables | 28,921 | 38,290 |
| Derivative financial liabilities | 72 | 755 |
| Bank borrowings (unsecured) | 81,287 | 61,756 |
| Taxation | 181 | 203 |
| | <u>110,461</u> | <u>101,004</u> |
| Total liabilities | 173,476 | 163,349 |
| TOTAL EQUITY AND LIABILITIES | <u>387,899</u> | <u>370,918</u> |
| | RM | RM |
| Net assets per share | <u>0.86</u> | <u>0.84</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2011)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes in Equity
For the period ended 31 October 2011

| | Share capital RM'000 | Share premium RM'000 | Revaluation reserve RM'000 | Exchange reserve RM'000 | Retained profits RM'000 | Total RM'000 |
|----------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------|
| Balance as at 1 May 2010 | 124,237 | 1,526 | 8,873 | (684) | 67,522 | 201,474 |
| Effect of adopting FRS 139 | - | - | - | - | 223 | 223 |
| Balance as at 1 May 2010, as restated | 124,237 | 1,526 | 8,873 | (684) | 67,745 | 201,697 |
| Total comprehensive income for the period | - | - | 1,086 | (180) | 4,446 | 5,352 |
| Transaction with owners in their capacity as owners: - Ordinary shares issued pursuant to warrant exercised | 6 | 2 | - | - | - | 8 |
| Balance as at 31 October 2010 | <u>124,243</u> | <u>1,528</u> | <u>9,959</u> | <u>(864)</u> | <u>72,191</u> | <u>207,057</u> |
| Balance as at 1 May 2011 | 124,243 | 1,528 | 9,268 | (388) | 72,918 | 207,569 |
| Total comprehensive income for the period | - | - | - | 823 | 6,031 | 6,854 |
| Balance as at 31 October 2011 | <u>124,243</u> | <u>1,528</u> | <u>9,268</u> | <u>435</u> | <u>78,949</u> | <u>214,423</u> |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2011)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 October 2011

| | Current quarter ended 31 October 2011 RM'000 | Last corresponding quarter ended 31 October 2010 RM'000 | 6 months cumulative 31 October 2011 RM'000 | 6 months cumulative 31 October 2010 RM'000 |
|----------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Revenue | 92,386 | 85,440 | 188,993 | 183,142 |
| Operating expenses | (90,116) | (83,375) | (184,760) | (177,953) |
| Other operating income | 324 | 271 | 2,012 | 356 |
| Profit from operations | 2,594 | 2,336 | 6,245 | 5,545 |
| Finance costs | (861) | (672) | (1,715) | (1,412) |
| Share of profit in an associate | 871 | 804 | 2,549 | 995 |
| Profit before taxation | 2,604 | 2,468 | 7,079 | 5,128 |
| Taxation | (379) | (273) | (1,048) | (682) |
| Net profit for the period | 2,225 | 2,195 | 6,031 | 4,446 |
| Other comprehensive income | 19 | (160) | 823 | 906 |
| Total comprehensive income for the period | 2,244 | 2,035 | 6,854 | 5,352 |
| Attributable to: | | | | |
| Minority interest | 0 | 0 | 0 | 0 |
| Ordinary shareholders | 2,225 | 2,195 | 6,031 | 4,446 |
| | 2,225 | 2,195 | 6,031 | 4,446 |
| | Sen | Sen | Sen | Sen |
| Net earnings per share attributable to ordinary shareholders : | | | | |
| -Basic | 0.90 | 0.88 | 2.43 | 1.79 |
| -Diluted | N/A | N/A | N/A | N/A |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 30 April 2011)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flow
For the period ended 31 October 2011

| | 6 months period ended 31 October 2011 RM'000 | 6 months period ended 31 October 2010 RM'000 |
|--------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 7,079 | 5,128 |
| Adjustments for:- | | |
| Non-cash items | 5,434 | 9,039 |
| Non-operating items | 1,560 | 1,336 |
| Operating profit before working capital changes | <u>14,073</u> | <u>15,503</u> |
| Changes in working capital | | |
| Net change in current assets | (20,219) | (7,581) |
| Net change in current liabilities | <u>(9,143)</u> | <u>(9,188)</u> |
| Cash used in operations | (15,289) | (1,266) |
| Tax paid | (655) | (1,021) |
| Interest paid | (41) | (23) |
| Net cash used in operating activities | <u>(15,985)</u> | <u>(2,310)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net cash used in investing activities | (9,043) | (6,262) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net cash from financing activities | 15,956 | 6,469 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(9,072)</u> | <u>(2,103)</u> |
| Effect of exchange rate changes on cash and cash equivalents | 681 | (226) |
| CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD | 15,493 | 17,873 |
| CASH AND CASH EQUIVALENT AT END OF THE PERIOD | <u><u>7,102</u></u> | <u><u>15,544</u></u> |
| COMPOSITION OF CASH AND CASH EQUIVALENTS | | |
| Short term deposits with licensed financial institutions | 5,000 | 12,746 |
| Cash and bank balances | 3,829 | 4,483 |
| Bank overdrafts | <u>(1,727)</u> | <u>(1,685)</u> |
| | <u><u>7,102</u></u> | <u><u>15,544</u></u> |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2011)

A Selected Explanatory Notes: FRS 134 Paragraph 16

A 1 Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ('FRS') 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities")'s Listing Requirements.

The condensed financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2011. The explanatory notes to these financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 April 2011.

A 2 Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2011 except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations") effective for financial periods beginning on or after 1 May 2011.

| New/Revised FRSs, Amendments to FRSs and IC Interpretations | | Effective for financial periods beginning on or after |
|--------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------|
| FRS 1 (revised) | First-time Adoption of Financial Reporting Standards | 1 July 2010 |
| FRS 3 (revised) | Business Combinations | 1 July 2010 |
| FRS 127 (revised) | Consolidated and Separate Financial Statements | 1 July 2010 |
| Amendments to FRS 2 | Share-based Payments | 1 July 2010 |
| Amendments to FRS 5 | Non Current Assets Held For Sale and Discontinued Operation | 1 July 2010 |
| Amendments to FRS 138 | Intangible Assets | 1 July 2010 |
| Amendments to IC Interpretation 9 | Reassessment of Embedded Derivatives | 1 July 2010 |
| IC Interpretation 12 | Service Concession Arrangements | 1 July 2010 |
| IC Interpretation 16 | Hedges of a Net Investment in a Foreign Operation | 1 July 2010 |
| IC Interpretation 17 | Distributions of Non-cash Assets to Owners | 1 July 2010 |
| Amendments to FRS 1 | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters | 1 January 2011 |
| Amendments to FRS 1 | Additional Exemption for First-time Adopters | 1 January 2011 |
| Amendments to FRS 7 | Improving Disclosures about Financial Instruments | 1 January 2011 |
| Amendments to FRS 2 | Group Cash-settled Share-based Payment Transactions | 1 January 2011 |
| IC Interpretation 4 | Determining whether an Arrangement contains a Lease | 1 January 2011 |

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| New/Revised FRSs, Amendments to FRSs and IC Interpretations (Cont'd) | | Effective for financial periods beginning on or after |
|-----------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------|
| IC Interpretation 18 | Transfers of Assets from Customers | 1 January 2011 |
| Improvements to FRSs (2010) | | 1 January 2011 |

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

The Group has not adopted the following new/revised FRSs, Amendments to FRSs and Interpretation that were in issue but not yet effective:

| New/Revised FRSs, Amendments to FRSs and IC Interpretations | | Effective for financial periods beginning on or after |
|--------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Amendments to IC Interpretation 14 | FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements | 1 July 2011 |
| IC Interpretation 19 | Extinguishing Financial Liabilities with Equity Instruments | 1 July 2011 |
| IC Interpretation 15 | Agreements for the Construction of Real Estate | 1 January 2012 |
| FRS 124 | Related Party Disclosures | 1 January 2012 |

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2011.

A 3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2011.

A 4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A 5 Items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter under review and financial year to-date.

A 6 Change in estimates

There were no significant changes in estimates that have a material effect for the current quarter under review and financial year to-date.

A 7 Debt and equity securities

There was no issuance or repayment of debt and equity securities nor any shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares for the current quarter under review and current financial year to-date.

A 8 Dividend paid

No dividend had been paid during the current quarter/ financial period ended 31 October 2011.

A 9 Segmental information

i. Business segments

No business segment information has been provided as the Group is principally only engaged in the business of manufacturing, marketing and trading of aluminum products.

ii. Geographical segments

The Group operates mainly in Malaysia. The revenue disclosed in geographical segments is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of assets.

A 9 Segmental information (cont'd)

ii. Geographical segments (cont'd)

| | Malaysia | Singapore | Others | Elimination | Total |
|---------------------------------|----------|-----------|--------|-------------|---------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | |
| External | 127,842 | 20,616 | 40,535 | - | 188,993 |
| Inter-segment | 4,898 | 18,589 | - | (23,487) | - |
| Total revenue | 132,740 | 39,205 | 40,535 | (23,487) | 188,993 |
| Profit from operations | | | | | 6,245 |
| Finance costs | | | | | (1,715) |
| Share of profit in an associate | | | | | 2,549 |
| Profit before taxation | | | | | 7,079 |
| Other information | | | | | |
| Segment assets | 394,769 | 9,620 | - | (30,633) | 373,756 |
| Capital expenditure | 9,355 | - | - | (87) | 9,268 |

Inter segment pricing is determined on an arm's length basis under terms, conditions and prices not materially different from transactions with unrelated parties.

A 10 Revaluation of property, plant and equipment

The value of property, plant and equipment has been brought forward without amendment from the previous financial year ended 30 April 2011.

A 11 Material events subsequent to the end of the current quarter

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter under review and financial year to-date.

A 12 Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter under review and financial year to-date.

A 13 Changes in contingent liabilities and contingent assets

Save as set out below, there were no changes in contingent liabilities and contingent assets since the last date of statement of financial position.

| Outstanding as at : | Company | |
|---------------------------------------------------------------------------------------|------------------------|----------------------|
| | 31 October 2011 | 30 April 2011 |
| | RM'000 | RM'000 |
| Corporate guarantee in respect of banking facilities utilized by subsidiary companies | 10,866 | 11,000 |
| | | |

The Company has provided corporate guarantees for banking facilities granted to four of its wholly owned subsidiary companies totaling RM25.6 million (30.4.2011: RM25.1 million).

The Company has also provided corporate guarantees to creditors of a wholly owned subsidiary company for supply of goods of up to RM1.0 million (30.4.2011: RM1.0 million).

A 14 Capital commitments

| Outstanding as at : | Group | |
|--------------------------------------|------------------------|----------------------|
| | 31 October 2011 | 30 April 2011 |
| | RM'000 | RM'000 |
| Property, plant and equipment | | |
| Authorised but not contracted for | - | - |
| Contracted but not provided for | 431 | 374 |
| | 431 | 374 |
| | | |

A 15 Acquisition and disposal of items of property, plant and equipment

There were no material acquisitions or disposals of items of property, plant and equipment during the current quarter under review and financial year to-date.

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

The Group's turnover for the quarter ended 31 October 2011 increased by 8.1% to RM92.39 million as compared to RM85.44 million for last year's corresponding quarter contributed by increase in business volume as well as higher average selling prices due to the rise in the costs of the underlying raw materials.

Profit before taxation also improved slightly by 5.5% to RM2.60 million from RM2.47 million for the corresponding quarter last year following the increase in revenue. Profit after taxation, however, was at about the same level due to higher provision for deferred tax.

B 2 Variance of results against preceding quarter

The Group's turnover decreased by 4.4% as compared to the preceding quarter's turnover of RM96.60 million due mainly to lower business volume.

Profit before taxation reduced by 41.8% for the quarter under review from RM4.47 million for the preceding quarter due to the lower revenue as well as reduced contribution from the investment in an associate of RM0.87 million for this quarter compared to RM1.68 million for the preceding quarter.

Profit after taxation was also lower in line with the above.

B 3 Current year prospects

The weak US economy and the worsening Eurozone's debt crisis continue to exert downward pressure on demands and business activities worldwide. Many Asian countries, including China, have been also adversely affected by these issues and are experiencing slower growth.

Nevertheless, the Malaysian economy grew at a higher rate of 5.8% in the third quarter of 2011 compared to 4.3% in the preceding quarter despite these external challenges. The Malaysian Government is expected to continue with the implementation of the ETP and this will cushion the weak external demands for the country's exports, which augurs well for the Group's enlarged production capacity. The Group will continue to improve its costs and delivery efficiencies whilst remaining guarded against any volatility in economic conditions as well as closely monitor our cash flow position.

Barring unforeseen circumstances, your Board expects the Group to remain profitable for the next quarter.

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B 4 Profit forecast

Not applicable as no profit forecast was published.

B 5 Taxation

| | Current quarter ended 31 October | | Year to date ended 31 October | |
|--------------------|-------------------------------------|--------|----------------------------------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current income tax | 149 | 273 | 378 | 682 |
| Deferred tax | 230 | 0 | 670 | 0 |
| | 379 | 273 | 1,048 | 682 |
| | | | | |

The Group's effective tax rate of 14.55% and 14.80% for the current quarter and financial year to-date respectively are lower than the statutory tax rate due principally to the unutilised business losses carried forward and unabsorbed reinvestment allowances carried forward which arose from the capital expenditures in the current quarter and previous financial years.

B 6 Unquoted investments and properties

There was no sale of unquoted investments and / or properties for the quarter under review and financial year to-date.

B 7 Purchase or disposal of quoted investments

- a) There was no purchase or disposal of quoted securities for the quarter under review.
- b) Investments in quoted securities as at 31 October 2011:

| | Cost | Carrying value/ Market value |
|--------------------------|--------|---------------------------------|
| | RM'000 | RM'000 |
| Total quoted investments | 1,000 | 410 |
| | | |

B 8 Status of corporate proposals announced

There are no corporate proposals announced but not completed as at the date of this report.

B 9 Borrowings and debt securities

| | As at 31 October 2011 |
|----------------------------------------------------------------------------------------|----------------------------------|
| | RM'000 |
| Short term borrowings (unsecured) | |
| Bankers acceptances / Revolving credit denominated in Ringgit Malaysia | 28,866 |
| Bank overdraft denominated in Ringgit Malaysia | 1,727 |
| Import foreign currency loan denominated in US Dollar (approximately USD16,494,000) | 50,694 |
| | 81,287 |
| Long term borrowings (unsecured) | |
| Long term loans denominated in Ringgit Malaysia repayable after the next twelve months | 40,000 |
| | |

B 10 Off balance sheet financial instruments

With the adoption of FRS 139 Financial Instruments: Recognition and Measurement, previously off balance sheet financial instruments are now recognized on the statement of financial position.

As at 31 October 2011, the Group entered into forward foreign exchange purchase contracts to hedge foreign currency loan and sale contracts to hedge trade receivables. The foreign currency contracts entered into by the Group are as follow:

| Currency | Notional value | Fair value | Maturing |
|----------------------|-----------------------|-------------------|------------------|
| | RM'000 | RM'000 | |
| United States Dollar | 40,097 | (72) | less than 1 year |
| Singapore Dollar | 492 | - | less than 1 year |
| | 40,589 | (72) | |
| | | | |

B 10 Off balance sheet financial instruments (con't)

Credit risk

There is minimal credit risk as the contract was entered into with reputable financial institutions.

Cash requirements

The Group will fund the cash requirements of the derivatives from its net cash flow from operating activities when the payments fall due.

B 11 Changes in material litigation

There is no material litigation involving the Group, which is not in the ordinary course of business as at the date of this report.

B12 Dividend

The directors do not recommend the payment of any interim dividend in respect of the current quarter ended 31 October 2011.

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B13 Realised and unrealised retained earnings/ (accumulated losses)

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

| | As at 31 October 2011 | As at 30 April 2011 |
|------------------------------------------------------------------------------------|--------------------------|------------------------|
| | RM'000 | RM'000 |
| Total retained earnings/ (accumulated losses) of the Company and its subsidiaries: | | |
| - Realised | 101,216 | 96,117 |
| - Unrealised | (25,308) | (23,806) |
| | 75,908 | 72,311 |
| Total share of retained earnings from an associate: | | |
| - Realised | 3,834 | 1282 |
| - Unrealised | - | 3 |
| | 3,834 | 1285 |
| Less: Consolidation adjustments | (793) | (678) |
| Total Group retained earnings as per consolidated accounts | 78,949 | 72,918 |

B 14 Earnings per share

| | Current quarter | Year to-date |
|------------------------------------------------------------------|-----------------|--------------|
| | RM'000 | RM'000 |
| Net profit for the period attributable to ordinary shareholders | 2,225 | 6,031 |
| Basic earnings per share | | |
| <i>Weighted average number of ordinary shares</i> | | |
| Issued ordinary shares at beginning of the quarter/period ('000) | 248,486 | 248,486 |
| Effect of shares issued ('000) | - | - |
| Weighted average number of ordinary shares ('000) | 248,486 | 248,486 |
| Basic earnings per share (sen) | 0.90 | 2.43 |

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B 14 Earnings per share (cont'd)

There are no potential dilution effects on ordinary shares of the Company for the current quarter and year to date.

By Order of the Board

Ng Bee Lian
Company Secretary
Date: 20 December 2011