

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
as at 31 July 2013

	As at 31 July 2013 RM'000	As at 30 April 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	211,829	213,602
Intangible assets	2	2
Investment in an associate	1,764	1,760
Other investments	630	450
	<u>214,225</u>	<u>215,814</u>
Current assets		
Inventories	48,218	54,345
Trade and other receivables	98,457	89,431
Current tax assets	11	-
Short term deposits	18,349	16,943
Cash and bank balances	8,377	4,603
	<u>173,412</u>	<u>165,322</u>
TOTAL ASSETS	<u>387,637</u>	<u>381,136</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	124,243	124,243
Share premium	1,528	1,528
Reserves		
Exchange reserve	844	436
Retained earnings	119,711	114,389
Total equity	<u>246,326</u>	<u>240,596</u>
Non-current liabilities		
Bank borrowings (unsecured)	33,000	33,000
Deferred tax liabilities	22,064	22,188
	<u>55,064</u>	<u>55,188</u>
Current liabilities		
Trade and other payables	41,021	32,263
Derivative financial liabilities	12	13
Bank borrowings (unsecured)	44,271	52,588
Current tax liabilities	943	488
	<u>86,247</u>	<u>85,352</u>
TOTAL LIABILITIES	<u>141,311</u>	<u>140,540</u>
TOTAL EQUITY AND LIABILITIES	<u>387,637</u>	<u>381,136</u>
	RM	RM
Net assets per share	<u>0.99</u>	<u>0.97</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2013)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 July 2013

	Current quarter ended		Cumulative period ended	
	31 July 2013 RM'000	31 July 2012 RM'000	31 July 2013 RM'000	31 July 2012 RM'000
Revenue	107,110	98,682	107,110	98,682
Operating expenses	(100,883)	(94,926)	(100,883)	(94,926)
Other operating income	674	442	674	442
Profit from operations	6,901	4,198	6,901	4,198
Finance costs	(897)	(985)	(897)	(985)
Share of profit in an associate	4	60	4	60
Profit before taxation	6,008	3,273	6,008	3,273
Taxation	(686)	(382)	(686)	(382)
Net profit for the year	5,322	2,891	5,322	2,891
Other comprehensive income				
-Foreign currency translations	408	221	408	221
Total comprehensive income for the period, net of tax, attributable to owners of parent	5,730	3,112	5,730	3,112
Basic earnings per share attributable to owners of the parent (sen)				
-Basic	2.14	1.16	2.14	1.16
-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 2013)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes In Equity
For the financial period ended 31 July 2013

	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 May 2012	124,243	1,528	410	101,770	227,951
Total comprehensive income for the period	-	-	221	2,891	3,112
Balance as at 31 July 2013	<u>124,243</u>	<u>1,528</u>	<u>631</u>	<u>104,661</u>	<u>231,063</u>
Balance as at 1 May 2013	124,243	1,528	436	114,389	240,596
Total comprehensive income for the period	-	-	408	5,322	5,730
Balance as at 31 July 2013	<u>124,243</u>	<u>1,528</u>	<u>844</u>	<u>119,711</u>	<u>246,326</u>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 April 2013)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 July 2013

	Period ended 31 July 2013 RM'000	Period ended 31 July 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,008	3,273
Adjustments for		
Depreciation of property, plant and equipment	4,378	5,073
Loss on disposal of property, plant and equipment, net	10	22
Property, plant and equipment written off	302	37
Impairment losses on receivables	119	8
Reversal of impairment loss on receivables	(130)	(26)
Inventories written down	201	45
Inventories written off	217	-
Interest income	(139)	(28)
Interest expense	897	985
Fair value adjustment on :		
-derivatives	(1)	(323)
-other investment	(180)	-
Unrealised loss on foreign exchange	197	349
Share of profit in an associate	(4)	(60)
Operating profit before working capital changes	11,875	9,355
Decrease in inventories	5,711	3,012
Increase in receivables	(8,542)	(6,037)
Increase in payables	8,551	3,699
Cash generated from operations	17,595	10,029
Interest paid	(3)	(5)
Tax refund	1	53
Tax paid	(388)	(209)
Net cash from operating activities	17,205	9,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	30	71
Purchases of property, plant and equipment	(2,898)	(3,348)
Interest received	139	28
Net cash used in investing activities	(2,729)	(3,249)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 July 2013

	Period ended 31 July 2013 RM'000	Period ended 31 July 2012 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of		
-bankers' acceptances, net	(5,630)	(5,056)
-import foreign currency loans, net	(3,089)	3,114
Interest paid	(894)	(980)
Net cash used in financing activities	<u>(9,613)</u>	<u>(2,922)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,863	3,697
Effect of exchange rate changes on cash and cash equivalents	109	221
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	21,540	7,053
CASH AND CASH EQUIVALENT AT END OF THE PERIOD	<u>26,512</u>	<u>10,971</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	18,349	7,624
Cash and bank balances	8,377	4,004
Bank overdrafts	(214)	(657)
	<u>26,512</u>	<u>10,971</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2013)

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the period ended 31 July 2013

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 Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”)’s Listing Requirements. This Interim Financial Statements also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2013. 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 2013.

A 2 Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2013 except for the adoption of the following new/revised MFRSs, Amendments to MFRSs and Issues Committee Interpretations (“IC Interpretations”):

(a) Adoption of MFRSs, Amendments to MFRSs and IC Interpretation

(i) Effective for the financial periods beginning on or after 1 July 2012

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The adoption of Amendments MFRS 101 has no financial impact on the financial statements of the Group.

(ii) Effective for the financial periods beginning on or after 1 January 2013

New and amendments to existing standards

MFRS 10: Consolidated Financial Statements

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of interests in Other Entities

MFRS 13: Fair Value Measurements

MFRS 119: Employee Benefits

MFRS 127: Separate Financial Statements

MFRS 128: Investments in Associates and Joint Ventures

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A 2 Significant accounting policies (continued)

(a) Adoption of MFRSs, Amendments to MFRSs and IC Interpretation (continued)

(ii) Effective for the financial periods beginning on or after 1 January 2013 (continued)

Amendments to MFRS 7: "Financial Instruments: Disclosures" on Disclosures-Offsetting
Financial Assets and Financial Liabilities

Amendments to MFRS 10, 11 and 12 on Consolidation Financial Statements, Joint
Arrangement and Disclosure of Interest in Other Entities: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual improvements 2009-2011 Cycle

MFRS 1: First-time adoption of MFRS

MFRS 101: Presentation of Financial Statements

MFRS 116: Property, Plant and Equipment

MFRS 132: Financial Instruments: Presentation

MFRS 134: Interim Financial Reporting

The adoption of the above standards and amendments/annual improvements are not expected to have any significant financial impact on the financial statements of the Group.

(b) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretation issued by the MASB are relevant to the Group. However, they have not been early adopted in this set of financial statements.

(i) Amendments effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities

Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities

Amendments to MFRS 127: Separate Financial Statements: Investment Entities

Amendments to MFRS 132: Financial Instruments: Presentation-Offsetting Financial
Assets and Financial Liabilities

**(ii) MFRSs and Amendments effective for financial periods beginning on or after 1
January 2015**

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009)

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in October 2010)

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A 3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2013.

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 period 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 period 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 financial period to date.

A 8 Dividend paid

No dividend has been paid during the current quarter under review and financial period to date.

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A 9 Notes to the Statements of Comprehensive Income

	Quarter ended 31 July		Year-to-date ended 31 July	
	2013	2012	2013	2012
Income / (expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,378)	(5,073)	(4,378)	(5,073)
Loss on disposal of property, plant and equipment, net	(10)	(22)	(10)	(22)
Property, plant and equipment written off	(302)	(37)	(302)	(37)
Impairment losses on - receivables	(119)	(8)	(119)	(8)
Reversal of impairment loss on - receivables	130	26	130	26
Inventories written down	(201)	(45)	(201)	(45)
Inventories written off	(217)	-	(217)	-
Interest income	139	28	139	28
Interest expense	(897)	(985)	(897)	(985)
Fair value adjustment on:				
- derivatives	1	323	1	323
- other investment	180	-	180	-
Foreign exchange gain/(loss), net				
- realised	108	(112)	108	(112)
- unrealised	(197)	(349)	(197)	(349)

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Notes To The Financial Statements
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A 10 Segmental information

i. Business segments

No business segment information has been provided as the Group is principally 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.

	Malaysia	Singapore	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	77,630	14,805	14,675	-	107,110
Inter-segment	3,556	12,703	-	(16,259)	
Total revenue	81,186	27,508	14,675	(16,259)	107,110
Profit from operations					6,901
Finance costs					(897)
Share of profit in an associate					4
Profit before taxation					6,008
Other information					
Segment assets	399,723	14,592	-	(28,453)	385,862

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 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 period to date.

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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 period 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 July 2013	30 April 2013
	RM'000	RM'000
Corporate guarantee in respect of banking facilities utilised by a subsidiary	10,570	10,300

The Company has provided corporate guarantees for banking facilities granted to four of its wholly-owned subsidiaries totaling RM25.81 million (30.4.2013: RM25.62 million).

The Company has also provided corporate guarantee to a creditor of a wholly-owned subsidiary for supply of goods of up to RM2.00 million (30.4.2013: RM2.0 million).

A 14 Capital commitments

There were no capital commitments during the period under review.

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B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter ended 31 July		Increase/(Decrease)	
	2013	2012		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	77,630	71,185	6,445	9.1
- Singapore	14,805	12,463	2,342	18.8
- Other countries	14,675	15,034	(359)	(2.4)
Total Revenue	107,110	98,682	8,428	8.5
Profit Before Tax	6,008	3,273	2,735	83.6
Profit After Tax	5,322	2,891	2,431	84.1

The Group's revenue for the quarter ended 31 July 2013 increased by 8.5% to RM107.1 compared to RM98.7 million for the preceding year corresponding quarter due mainly to higher business volume.

Profit before taxation increased substantially by 83.6% to RM6.0 million from RM3.3 million for the previous year corresponding quarter due to a combination of higher business volume and improved gross margins.

Profit after taxation also increased significantly by 84.1% in line with the above.

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B 2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	77,630	69,040	8,590	12.4
- Singapore	14,805	12,843	1,962	15.3
- Other countries	14,675	15,630	(955)	(6.1)
Total Revenue	107,110	97,513	9,597	9.8
Profit Before Tax	6,008	5,083	925	18.2
Profit After Tax	5,322	6,034	(712)	(11.8)

The Group's revenue increased by 9.8% from RM97.5 million to RM107.1 million compared to the preceding quarter due mainly to higher business volume although average selling prices were lower as a result of the declining raw material prices.

Profit before taxation also increased by 18.2% from RM5.1 million to RM6.0 million contributed by higher business volume.

However, profit after taxation reduced by 11.8% compared to that of the preceding quarter as a result of the reversal of deferred tax provision in the preceding quarter.

B 3 Current year prospects

The global economy continued to experience modest growth in the second quarter of 2013. The US economy expanded at a moderate pace, while economic activity in the EuroZone remained weak amid austerity measures and ongoing sovereign debt concerns. In Asia, growth of several economies moderated in the second quarter, as the prolonged weakness in the external environment had begun to affect domestic economic activity, particularly in the more open economies.

While domestic demand in the Malaysian economy has remained strong, the overall growth performance was affected by the weak external sector. In the construction sector, growth remained firm, led by the civil engineering and residential sub-sectors, and has benefited the Group as a major supplier of building materials to this sector.

Moving forward, geopolitical uncertainties in the middle-east; rising energy costs and high volatility in financial markets continue to pose challenges to the Group. Nonetheless, barring unforeseen circumstances, the 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

	Quarter ended 31 July		Year-to-date ended 31 July	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current income tax	811	202	811	202
Deferred tax	(125)	180	(125)	180
	686	382	686	382

The Group's effective tax rate for the quarter under review and period to date are lower than the statutory tax rate due principally to the availability of non-taxable income and unabsorbed reinvestment allowances brought forward which arose from capital expenditures in previous financial years as well as unutilised business losses brought forward by a wholly-owned subsidiary.

B 6 Status of corporate proposals announced

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

B 7 Borrowings and debt securities

	As at 31 July 2013	As at 30 April 2013
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	31,850	37,480
Revolving credit	4,000	4,000
Bank overdrafts	214	6
Import foreign currency loans: (31 July 2013:USD0.99 million; 30 April 2013: USD2.01 million)	3,207	6,102
Short term loans	5,000	5,000
	44,271	52,588
Long term borrowings (unsecured)		
Long term loans	33,000	33,000

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B 7 Borrowings and debt securities (continued)

All borrowings are denominated in Ringgit Malaysia except for import foreign currency loans which are denominated in US Dollar.

B 8 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.

B 9 Dividend

The Directors do not recommend the payment of any interim dividend in respect of the current quarter under review and financial period to date.

B10 Realised and unrealised profits or 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 July 2013	As at 30 April 2013
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	145,092	139,377
- Unrealised	(23,792)	(24,506)
	121,300	114,870
Total share of retained earnings from an associate:		
- Realised	176	184
- Unrealised	-	(13)
	176	171
Less: Consolidation adjustments	(1,765)	(652)
Total Group retained earnings	119,711	114,389

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Notes To The Financial Statements
For the period ended 31 July 2013

B 11 Earnings per share

	Current quarter	Year-to-date
	RM'000	RM'000
Net profit for the period attributable to ordinary shareholders	5,322	5,322
<i>Basic earnings per share</i>		
<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares at beginning of the 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)	2.14	2.14

There are no potential dilution effects on ordinary shares of the Company for the current quarter under review and financial year.

By Order of the Board

Ng Bee Lian
 Company Secretary
 Date: 27 September 2013