

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

	As at 31 October 2013	As at 30 April 2013
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	209,866	213,602
Intangible assets	2	2
Investment in an associate	1,783	1,760
Other investments	660	450
	<u>212,311</u>	<u>215,814</u>
Current assets		
Inventories	54,056	54,344
Trade and other receivables	95,802	89,432
Derivative financial asset	107	-
Current tax assets	2	-
Short term deposits	20,614	16,943
Cash and bank balances	9,352	4,603
	<u>179,933</u>	<u>165,322</u>
TOTAL ASSETS	<u>392,244</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	833	436
Retained earnings	125,411	114,389
Total equity	<u>252,015</u>	<u>240,596</u>
Non-current liabilities		
Bank borrowings (unsecured)	30,000	33,000
Deferred tax liabilities	21,769	22,188
	<u>51,769</u>	<u>55,188</u>
Current liabilities		
Trade and other payables	34,263	32,263
Derivative financial liabilities	-	13
Bank borrowings (unsecured)	52,785	52,588
Current tax liabilities	1,412	488
	<u>88,460</u>	<u>85,352</u>
TOTAL LIABILITIES	<u>140,229</u>	<u>140,540</u>
TOTAL EQUITY AND LIABILITIES	<u>392,244</u>	<u>381,136</u>
	RM	RM
Net assets per share	<u>1.01</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 October 2013

	Current quarter ended		Cumulative period ended	
	31 October 2013	31 October 2012	31 October 2013	31 October 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	105,958	95,239	213,068	193,922
Operating expenses	(99,544)	(90,256)	(200,427)	(185,183)
Other operating income	918	215	1,592	657
Profit from operations	7,332	5,198	14,233	9,396
Finance costs	(833)	(901)	(1,730)	(1,886)
Share of profit in an associate	19	5	23	65
Profit before taxation	6,518	4,302	12,526	7,575
Taxation	(818)	(1,130)	(1,504)	(1,512)
Net profit for the year	5,700	3,172	11,022	6,063
Other comprehensive income				
-Foreign currency translations	(11)	(47)	397	174
Total comprehensive income for the period, net of tax, attributable to owners of parent	5,689	3,125	11,419	6,237
Basic earnings per share attributable to owners of the parent (sen)				
-Basic	2.29	1.28	4.44	2.44
-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 October 2013

	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 May 2012, restated	124,243	1,528	435	101,595	227,801
Total comprehensive income for the period	-	-	174	6,063	6,237
Balance as at 31 October 2012	<u>124,243</u>	<u>1,528</u>	<u>609</u>	<u>107,658</u>	<u>234,038</u>
Balance as at 1 May 2013	124,243	1,528	436	114,389	240,596
Total comprehensive income for the period	-	-	397	11,022	11,419
Balance as at 31 October 2013	<u>124,243</u>	<u>1,528</u>	<u>833</u>	<u>125,411</u>	<u>252,015</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 October 2013

	Period ended 31 October 2013 RM'000	Period ended 31 October 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,526	7,575
Adjustments for		
Depreciation of property, plant and equipment	9,052	9,843
Fair value adjustments on :		
-derivatives	(120)	(303)
-other investment	(210)	(130)
(Gain)/Loss on disposal of property, plant and equipment, net	(6)	25
Property, plant and equipment written off	302	94
Impairment losses on receivables	1,048	731
Reversal of impairment loss on:		
-receivables	(158)	(32)
Inventories written down	213	73
Inventories written off	246	-
Interest income	(296)	(66)
Interest expense	1,730	1,886
Unrealised (gain)/loss on foreign exchange	(383)	182
Share of profit in an associate	(23)	(65)
Operating profit before working capital changes	23,921	19,813
Increase in inventories	(167)	(1,494)
Increase in receivables	(7,039)	(4,647)
Increase in payables	2,060	5,021
Cash generated from operations	18,775	18,693
Interest paid	(5)	(8)
Tax refund	1	-
Tax paid	(1,018)	(383)
Net cash from operating activities	17,753	18,302

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

	Period ended 31 October 2013 RM'000	Period ended 31 October 2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	62	183
Purchases of property, plant and equipment	(5,629)	(5,655)
Interest received	296	66
Net cash used in investing activities	<u>(5,271)</u>	<u>(5,406)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of		
-bankers' acceptances, net	(10,680)	(9,657)
-import foreign currency loans, net	9,724	(696)
-term loan	(2,000)	-
Interest paid	(1,725)	(1,878)
Net cash used in financing activities	<u>(4,681)</u>	<u>(12,231)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,801	665
Effect of exchange rate changes on cash and cash equivalents	27	55
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,540	7,053
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>29,368</u></u>	<u><u>7,773</u></u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	20,614	4,136
Cash and bank balances	9,352	4,715
Bank overdrafts	(598)	(1,078)
	<u><u>29,368</u></u>	<u><u>7,773</u></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 October 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 has no 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 October		Year-to-date ended 31 October	
	2013	2012	2013	2012
Income / (expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,674)	(4,770)	(9,052)	(9,843)
Gain/(Loss) on disposal of property, plant and equipment, net	16	(3)	6	(25)
Property, plant and equipment written off	-	(57)	(302)	(94)
Impairment losses on - receivables	(929)	(723)	(1,048)	(731)
Reversal of impairment loss on - receivables	28	6	158	32
Inventories written down	(12)	(28)	(213)	(73)
Inventories written off	(29)	-	(246)	-
Interest income	157	38	296	66
Interest expense	(833)	(901)	(1,730)	(1,886)
Fair value adjustments on:				
- derivatives	119	(20)	120	303
- other investment	30	130	210	130
Foreign exchange gain/(loss), net				
- realised	(111)	119	(3)	7
- unrealised	580	167	383	(182)

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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 aluminium 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	154,498	28,506	30,064	-	213,068
Inter-segment	5,902	24,281	-	(30,183)	-
Total revenue	160,400	52,787	30,064	(30,183)	213,068
Profit from operations					14,233
Finance costs					(1,730)
Share of profit in an associate					23
Profit before taxation					12,526
Other information					
Segment assets	409,366	14,527	-	(33,434)	390,459

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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Notes To The Financial Statements
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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 October 2013	30 April 2013
	RM'000	RM'000
Corporate guarantee in respect of banking facilities utilised by a subsidiary	10,300	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

	Group	
	31 October 2013	30 April 2013
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	2,404	-
Authorised but not contracted for	569	-

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B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter ended 31 October		Increase/(Decrease)	
	2013	2012		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	76,868	68,209	8,659	12.7
- Singapore	13,701	12,541	1,160	9.3
- Other countries	15,389	14,489	900	6.2
Total Revenue	105,958	95,239	10,719	11.3
Profit Before Taxation	6,518	4,302	2,216	51.5
Profit After Taxation	5,700	3,172	2,528	79.7

The Group's revenue for the quarter ended 31 October 2013 increased by 11.3% to RM106.0 million compared to RM95.2 million for the preceding year corresponding quarter due mainly to higher business volume as well as higher average selling prices.

Profit before taxation increased substantially by 51.5% to RM6.5 million from RM4.3 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 79.7% 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	76,868	77,630	(762)	(1.0)
- Singapore	13,701	14,805	(1,104)	(7.5)
- Other countries	15,389	14,675	714	4.9
Total Revenue	105,958	107,110	(1,152)	(1.1)
Profit Before Taxation	6,518	6,008	510	8.5
Profit After Taxation	5,700	5,322	378	7.1

The Group's revenue decreased slightly by 1.1% from RM107.1 million to RM105.9 million compared to the preceding quarter due mainly to lower business volume.

However, profit before taxation increased by 8.5% from RM6.0 million to RM6.5 million due to improved gross margins.

Profit after taxation also increased by 7.1% in line with the above.

B 3 Current year prospects

Global economic prospects continue to improve, especially in the US and Japan, while the Euro Zone remains on track for recovery, albeit at a slower pace. However, expected monetary tightening in major advanced economies, as a consequence of improving macro economic indicators, would pose a serious challenge to the emerging and developing economies, in terms of exchange rate volatility and financial market vulnerabilities.

On the domestic front, the Government has introduced a series of fiscal consolidation plans to address its fiscal weaknesses in its Budget Proposal for 2014, which includes subsidy rationalisation programs as well as the introduction of GST in 2015. The Government has also in the said Budget Proposal increased the real property gains tax in a bid to curb speculations and to cool the rising prices in housing sector. Following the subsidy rationalisation programs, the Government has recently announced increase in electricity tariffs of about 15% commencing 1 January 2014.

In view of the Government's latest initiatives, which may have an adverse impact on economic activities in Malaysia, the Group remains cautious in its strategies and plans moving forward, by ensuring the Group's financial resilience, in order to withstand any adverse conditions in the markets.

Nevertheless, barring unforeseen circumstances, the Board expects the Group to remain profitable for the coming quarter.

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B 4 Profit forecast

Not applicable as no profit forecast was published.

B 5 Taxation

	Quarter ended 31 October		Year-to-date ended 31 October	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current income tax	1,109	937	1,920	1,139
Deferred tax	(294)	193	(419)	373
	815	1,130	1,501	1,512
Under provision in prior years				
-Current income tax	3	-	3	-
	818	1,130	1,504	1,512

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.

B 6 Status of corporate proposals announced

There is no corporate proposal announced but not completed as at the date of this report.

B 7 Borrowings and debt securities

	As at 31 October 2013	As at 30 April 2013
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers' acceptances	26,800	37,480
Revolving credit	4,000	4,000
Bank overdrafts	598	6
Import foreign currency loans: (31 Oct 2013:USD4.89 million; 30 April 2013: USD2.01 million)	15,387	6,102
Short term loans	6,000	5,000
	52,785	52,588
Long term borrowings (unsecured)		
Long term loans	30,000	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 October 2013	As at 30 April 2013
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	149,497	139,376
- Unrealised	(23,506)	(24,506)
	125,991	114,870
Total share of retained earnings from an associate:		
- Realised	195	184
- Unrealised	-	(13)
	195	171
Less: Consolidation adjustments	(775)	(652)
Total Group retained earnings	125,411	114,389

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Notes To The Financial Statements
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B 11 Earnings per share

	Current quarter	Year-to-date
	RM'000	RM'000
Net profit for the period attributable to ordinary shareholders	5,700	11,022
<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)	2.29	4.44

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: 11 December 2013