

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 31 October 2014

	As at 31 October 2014 RM'000	As at 30 April 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	213,443	209,125
Intangible assets	-	2
Investment in an associate	474	486
Deferred tax asset	-	4
Other investments	960	915
	<u>214,877</u>	<u>210,532</u>
Current assets		
Inventories	71,698	54,104
Trade and other receivables	98,005	96,581
Current tax assets	-	137
Short term deposits	21,210	28,084
Cash and bank balances	11,490	7,017
	<u>202,403</u>	<u>185,923</u>
TOTAL ASSETS	<u>417,280</u>	<u>396,455</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	124,243	124,243
Share premium	1,528	1,528
Reserves		
Exchange reserve	857	1,095
Retained earnings	140,685	132,121
Total equity	<u>267,313</u>	<u>258,987</u>
Non-current liabilities		
Bank borrowings (unsecured)	-	15,000
Deferred tax liabilities	21,545	22,065
	<u>21,545</u>	<u>37,065</u>
Current liabilities		
Trade and other payables	47,340	47,258
Derivative financial liabilities	26	23
Bank borrowings (unsecured)	79,690	52,000
Current tax liabilities	1,366	1,122
	<u>128,422</u>	<u>100,403</u>
TOTAL LIABILITIES	<u>149,967</u>	<u>137,468</u>
TOTAL EQUITY AND LIABILITIES	<u>417,280</u>	<u>396,455</u>
	RM	RM
Net assets per share	<u>1.08</u>	<u>1.04</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2014)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income
For the financial period ended 31 October 2014

	Current quarter ended		Cumulative period ended	
	31 October 2014 RM'000	31 October 2013 RM'000	31 October 2014 RM'000	31 October 2013 RM'000
Revenue	111,074	105,958	221,103	213,068
Operating expenses	(106,524)	(99,544)	(210,291)	(200,427)
Other operating income	324	918	836	1,592
Profit from operations	4,874	7,332	11,648	14,233
Finance costs	(772)	(833)	(1,508)	(1,730)
Share of (loss)/profit in an associate	(6)	19	(12)	23
Profit before taxation	4,096	6,518	10,128	12,526
Taxation	(806)	(818)	(1,564)	(1,504)
Net profit for the year	3,290	5,700	8,564	11,022
Other comprehensive income				
-Foreign currency translations	(20)	(11)	(238)	397
Total comprehensive income for the period, net of tax, attributable to owners of parent	3,270	5,689	8,326	11,419
Basic earnings per share attributable to owners of the parent (sen)				
-Basic	1.32	2.29	3.45	4.44
-Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2014)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes In Equity
For the financial period ended 31 October 2014

	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Total RM'000
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>
Balance as at 1 May 2014	124,243	1,528	1,095	132,121	258,987
Total comprehensive income for the period	-	-	(238)	8,564	8,326
Balance as at 31 October 2014	<u>124,243</u>	<u>1,528</u>	<u>857</u>	<u>140,685</u>	<u>267,313</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 2014)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2014

	Period ended 31 October 2014 RM'000	Period ended 31 October 2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,128	12,526
Adjustments for		
Depreciation of property, plant and equipment	8,172	9,052
Fair value adjustments on :		
-derivatives	3	(120)
-other investment	(45)	(210)
Loss/(gain) on disposal of property, plant and equipment, net	13	(6)
Property, plant and equipment written off	222	302
Intangible asset written off	2	-
Impairment loss on:		
-on receivables	2,095	1,048
-property, plant and equipment	1	-
Reversal of impairment loss on receivables	(271)	(158)
Inventories written down	-	213
Inventories written off	67	246
Interest income	(396)	(296)
Interest expense	1,508	1,730
Unrealised loss/(gain) on foreign exchange	273	(383)
Share of loss/(profit) in an associate	12	(23)
	<hr/>	<hr/>
Operating profit before working capital changes	21,784	23,921
Increase in inventories	(17,663)	(167)
Increase in receivables	(3,283)	(7,039)
(Decrease)/Increase in payables	(150)	2,060
	<hr/>	<hr/>
Cash generated from operations	688	18,775
Interest paid	-	(5)
Tax refund	-	1
Tax paid	(1,689)	(1,018)
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Net cash (used in)/generated from operating activities	(1,001)	17,753
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LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2014

	Period ended 31 October 2014 RM'000	Period ended 31 October 2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	28	62
Purchases of property, plant and equipment	(12,772)	(5,629)
Interest received	396	296
Net cash used in investing activities	<u>(12,348)</u>	<u>(5,271)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of		
-bankers' acceptances, net	10,633	(10,680)
-import foreign currency loans, net	4,625	9,724
-term loan	(3,000)	(2,000)
Interest paid	(1,508)	(1,725)
Net cash generated from/(used in) financing activities	<u>10,750</u>	<u>(4,681)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,599)	7,801
Effect of exchange rate changes on cash and cash equivalents	(124)	27
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	35,101	21,540
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>32,378</u></u>	<u><u>29,368</u></u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	21,210	20,614
Cash and bank balances	11,490	9,352
Bank overdrafts	(322)	(598)
	<u><u>32,378</u></u>	<u><u>29,368</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 2014)

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the period ended 31 October 2014

A Explanatory Notes

A1 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.

The condensed financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2014. 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 2014.

A2 Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2014 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 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 136: Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 132: Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

The adoption of the above amendments to existing standards and IC Interpretation have no significant financial impact on the financial statements of the Group.

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A2 Significant accounting policies (continued)

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

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

(i) Effective for the financial periods beginning on or after 1 July 2014

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

(ii) Effective for the financial periods beginning on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 10 and MFRS 128: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants
Amendments to MFRS 127: Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 – 2014 Cycle

(iii) Effective for the financial periods beginning on or after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

(iv) Effective for the financial periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2014.

A4 Seasonal or cyclical factors

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

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A5 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.

A6 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.

A7 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.

A8 Dividend paid

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

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Notes To The Financial Statements
For the period ended 31 October 2014

A9 Notes to the Statements of Profit or Loss and Other Comprehensive Income

	Quarter ended 31 October		Year-to-date ended 31 October	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income/(expense):				
Depreciation of property, plant and equipment	(4,118)	(4,674)	(8,172)	(9,052)
Gain/(Loss) on disposal of property, plant and equipment, net	(13)	16	(13)	6
Property, plant and equipment written off	(222)	-	(222)	(302)
Intangible asset written off	-	-	(2)	-
Bad debts recovered	-	-	2	-
Impairment losses on				
- receivables	(793)	(929)	(2,095)	(1,048)
- property, plant and equipment	(1)	-	(1)	-
Reversal of impairment loss on				
- receivables	120	28	271	158
Inventories written down	-	(12)	-	(213)
Inventories written off	(24)	(29)	(67)	(246)
Interest income	202	157	396	296
Interest expense	(772)	(833)	(1,508)	(1,730)
Fair value adjustments on:				
- derivatives	(55)	119	(3)	120
- other investment	(15)	30	45	210
Foreign exchange gain/(loss), net				
- realised	(320)	(111)	(367)	(3)
- unrealised	(294)	580	(273)	383

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Notes To The Financial Statements
For the period ended 31 October 2014

A10 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	165,072	27,541	28,490	-	221,103
Inter-segment	5,117	23,364	-	(28,481)	-
Total revenue	170,189	50,905	28,490	(28,481)	221,103
Profit from operations					11,648
Finance costs					(1,508)
Share of loss in an associate					(12)
Profit before taxation					10,128
Other information					
Segment assets	437,944	18,999	-	(40,137)	416,806

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

A11 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
For the period ended 31 October 2014

A12 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.

A13 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 2014	30 April 2014
	RM'000	RM'000
Corporate guarantee in respect of banking facilities utilised by a subsidiary	11,333	10,367

The Company has provided corporate guarantees for banking facilities granted to four of its wholly-owned subsidiaries totaling RM24.1 million (30.4.2014: RM26.0 million).

The Company has also provided corporate guarantee to a creditor of a wholly-owned subsidiary for supply of goods of up to RM2.0 million (30.4.2014: RM2.0 million).

A14 Capital commitments

	Group	
	31 October 2014	30 April 2014
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	16,337	463
Authorised but not contracted for	17,879	37,759

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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)	
	2014	2013		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	85,049	76,868	8,181	10.6
- Singapore	11,599	13,701	(2,102)	(15.3)
- Other countries	14,426	15,389	(963)	(6.3)
Total Revenue	111,074	105,958	5,116	4.8
Profit Before Tax	4,096	6,518	(2,422)	(37.2)
Profit After Tax	3,290	5,700	(2,410)	(42.3)

The Group's revenue for the quarter ended 31 October 2014 increased by 4.8% to RM111.1 million compared to RM106.0 million for the preceding year corresponding quarter due mainly to higher average selling prices owing to the increase in raw material costs.

However, profit before taxation and profit after taxation decreased by 37.2% and 42.3% to RM4.1 million and RM3.3 million from RM6.5 million and RM5.7 million respectively attributed to lower profit margins due to the increase in aluminium prices as well as the weak Malaysian Ringgit which resulted in higher raw material costs.

B2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	85,049	80,023	5,026	6.3
- Singapore	11,599	15,942	(4,343)	(27.2)
- Other countries	14,426	14,064	362	2.6
Total Revenue	111,074	110,029	1,045	0.9
Profit Before Tax	4,096	6,031	(1,935)	(32.1)
Profit After Tax	3,290	5,273	(1,983)	(37.6)

B2 Variance of results against preceding quarter (continued)

The Group's revenue increased slightly by 0.9% from RM110.0 million to RM111.1 million compared to the preceding quarter due mainly to higher average selling price despite a marginal decrease in business volume. The higher average selling prices were contributed by higher raw material costs.

However, despite the higher revenue, profit before taxation and profit after taxation decreased by 32.1% and 37.6% from RM6.0 million and RM5.3 million to RM4.1 million and RM3.3 million respectively due to lower profit margins for the reasons mentioned in B1 above.

B3 Current year prospects

Global economic activity continued to expand at a moderate pace in the third quarter of 2014, with uneven growth performances across economies. The US has continued to show broader signs of improvements while growth in the Europe remained subdued amid persistent structural constraints. In Asia, economic activity continued to expand, although growth was more moderate in several economies.

The Malaysian economy registered a growth of 5.6% in the third quarter of 2014, supported by private sector demand and continued positive growth in exports. On the supply side, the manufacturing sector expanded at a more moderate pace amid slower domestic oriented activity. Growth in the construction sector remained sustained, driven by the activities in the residential and non-residential sub-sectors. The rise in aluminium prices and the weak Malaysian Ringgit have resulted in the increase in raw material costs which have impacted the Group's profitability. The Group has adjusted its selling prices accordingly and will continue to focus on efficiency and productivity to mitigate these adverse impacts.

Barring unforeseen circumstances, the Board remains optimistic that the Group would remain profitable in the coming quarter.

B4 Profit forecast

Not applicable as no profit forecast was published.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
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B5 Taxation

	Quarter ended 31 October		Year-to-date ended 31 October	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current income tax	1,190	1,112	2,081	1,923
Deferred tax	(384)	(294)	(517)	(419)
	806	818	1,564	1,504

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.

B6 Status of corporate proposals announced

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

B7 Borrowings and debt securities

	31 October 2014	30 April 2014
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	40,433	29,800
Bank overdrafts	322	-
Import foreign currency loans: (31 October 2014: USD2.7 million ; 30 April 2014: USD1.3 million)	8,935	4,200
Term loans	30,000	18,000
	79,690	52,000
Long term borrowings (unsecured)		
Term loans	-	15,000

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

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Notes To The Financial Statements
For the period ended 31 October 2014

B8 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.

B9 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.

	31 October 2014	30 April 2014
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	165,893	157,738
- Unrealised	(24,540)	(24,836)
	141,353	132,902
Total share of retained earnings from an associate:		
- Realised	209	221
- Unrealised	(13)	(13)
	196	208
Less: Consolidation adjustments	(864)	(989)
Total Group retained earnings	140,685	132,121

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the period ended 31 October 2014

B 11 Earnings per share

	Current quarter	Year-to-date
Net profit for the period attributable to ordinary shareholders (RM'000)	3,290	8,564
<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)	1.32	3.45

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

By Order of the Board

Ng Bee Lian
 Company Secretary
 Date: 5 December 2014