

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 31 October 2015

	As at 31 October 2015 RM'000	As at 30 April 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	232,167	233,196
Investment in an associate	-	505
Deferred tax asset	5	4
Other investments	773	810
	<u>232,945</u>	<u>234,515</u>
Current assets		
Inventories	72,919	90,594
Trade and other receivables	111,204	104,429
Derivative financial asset	-	115
Current tax assets	1,263	1,094
Short term deposits	9,189	17,394
Cash and bank balances	10,046	8,284
	<u>204,621</u>	<u>221,910</u>
TOTAL ASSETS	<u>437,566</u>	<u>456,425</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	124,243	124,243
Share premium	1,528	1,528
Reserves		
Exchange reserve	4,268	1,729
Retained earnings	140,021	140,342
Total equity	<u>270,060</u>	<u>267,842</u>
Non-current liabilities		
Bank borrowings (unsecured)	20,000	17,500
Deferred tax liabilities	22,491	22,255
	<u>42,491</u>	<u>39,755</u>
Current liabilities		
Trade and other payables	51,665	55,355
Derivative financial liabilities	10	-
Bank borrowings (unsecured)	71,661	92,612
Current tax liabilities	1,679	861
	<u>125,015</u>	<u>148,828</u>
TOTAL LIABILITIES	<u>167,506</u>	<u>188,583</u>
TOTAL EQUITY AND LIABILITIES	<u>437,566</u>	<u>456,425</u>
	RM	RM
Net assets per share	<u>1.09</u>	<u>1.08</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2015)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income
For the financial period ended 31 October 2015

	Current quarter ended		Cumulative period ended	
	31 October 2015 RM'000	31 October 2014 RM'000	31 October 2015 RM'000	31 October 2014 RM'000
Revenue	113,862	111,074	221,175	221,103
Operating expenses	(109,672)	(106,524)	(215,671)	(210,291)
Other operating income	1,215	324	3,074	836
Profit from operations	5,405	4,874	8,578	11,648
Finance costs	(1,183)	(772)	(2,352)	(1,508)
Share of loss in an associate	(129)	(6)	(132)	(12)
Profit before taxation	4,093	4,096	6,094	10,128
Taxation	(1,246)	(806)	(1,445)	(1,564)
Net profit for the year	2,847	3,290	4,649	8,564
Other comprehensive income				
- Foreign currency translations	1,985	(20)	2,539	(238)
Total comprehensive income for the period, net of tax, attributable to owners of parent	4,832	3,270	7,188	8,326
Basic earnings per share attributable to owners of the parent (sen)				
- Basic	1.15	1.32	1.87	3.45
- 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 2015)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 October 2015

	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Total RM'000
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>
Balance as at 1 May 2015	124,243	1,528	1,729	140,342	267,842
Total comprehensive income for the period	-	-	2,539	4,649	7,188
Dividend paid	-	-	-	(4,970)	(4,970)
Balance as at 31 October 2015	<u>124,243</u>	<u>1,528</u>	<u>4,268</u>	<u>140,021</u>	<u>270,060</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 2015)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2015

	Period ended 31 October 2015 RM'000	Period ended 31 October 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,094	10,128
Adjustments for		
Depreciation of property, plant and equipment	8,863	8,172
Bad debts written off	11	-
Fair value adjustments on:		
- Derivatives	125	3
- Other investment	38	(45)
Loss on disposal of property, plant and equipment	18	13
Property, plant and equipment written off	56	222
Intangible asset written off	-	2
Impairment loss on:		
- Receivables	-	2,095
- Property, plant and equipment	1,735	1
Reversal of impairment loss on:		
- Receivables	(1,484)	(271)
- Property, plant and equipment	(54)	-
Inventories written off	124	67
Interest income	(185)	(396)
Interest expense	2,352	1,508
Unrealised (gain)/loss on foreign exchange	(1,019)	273
Gain on capital repayment from investment in an associate	(104)	-
Share of loss in an associate	132	12
	<hr/>	<hr/>
Operating profit before working capital changes	16,702	21,784
Decrease/(Increase) in inventories	17,566	(17,663)
Increase in receivables	(3,794)	(3,283)
Decrease in payables	(4,146)	(150)
	<hr/>	<hr/>
Cash generated from operations	26,328	688
Tax refund	335	-
Tax paid	(940)	(1,689)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	<hr/> <u>25,723</u>	<hr/> <u>(1,001)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	86	28
Purchases of property, plant and equipment	(9,482)	(12,772)
Proceeds from capital repayment for investment in an associate	477	-
Interest received	185	396
	<hr/>	<hr/>
Net cash used in investing activities	<hr/> <u>(8,734)</u>	<hr/> <u>(12,348)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2015)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2015

	Period ended 31 October 2015 RM'000	Period ended 31 October 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,970)	-
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	(15,957)	10,633
- Import foreign currency loans, net	-	4,625
- term loan	(12,500)	(3,000)
- revolving credit	10,000	-
Interest paid	<u>(2,352)</u>	<u>(1,508)</u>
Net cash (used in)/generated from financing activities	<u>(25,779)</u>	<u>10,750</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,790)	(2,599)
Effect of exchange rate changes on cash and cash equivalents	2,341	(124)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,666	35,101
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>19,217</u>	<u>32,378</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	9,189	21,210
Cash and bank balances	10,046	11,490
Bank overdrafts	(18)	(322)
	<u>19,217</u>	<u>32,378</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2015)

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 2015. 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 2015.

A2 Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2015 except for the adoption of the following new accounting standards (including the consequential amendments, if any):

(a) Adoption of MFRSs (Including The Consequential Amendments)

(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

The adoption of the above accounting standards has no significant financial impact on the financial statements of the Group.

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A2 Significant accounting policies (continued)

(b) MFRSs (Including The Consequential Amendments) issued but not yet effective

The following MFRSs (including the consequential amendments) 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 January 2016

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities - Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

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

MFRS 9 Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2015.

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

A first and final tax exempt dividend of 2.00 sen per ordinary share based on the issued and paid up share capital of RM124,243,167 comprising 248,486,334 ordinary shares of RM0.50 each in respect of the financial year ended 30 April 2015, amounting to RM4,969,727 was paid on 21 October 2015.

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

Income/(expense):	Quarter ended 31 October		Year-to-date ended 31 October	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,535)	(4,118)	(8,863)	(8,172)
Loss on disposal of property, plant and equipment	(18)	(13)	(18)	(13)
Property, plant and equipment written off	(54)	(222)	(56)	(222)
Intangible asset written off	-	-	-	(2)
Bad debts recovery	-	-	-	2
Bad debts written off	(11)	-	(11)	-
Impairment losses on				
- property, plant and equipment	(1,595)	(1)	(1,735)	(1)
- receivables	-	(793)	-	(2,095)
Reversal of impairment loss on				
- receivables	110	120	1,484	271
- property, plant and equipment	54	-	54	-
Inventories written off	(64)	(24)	(124)	(67)
Interest income	108	202	185	396
Interest expense	(1,183)	(772)	(2,352)	(1,508)
Fair value adjustments on:				
- derivatives	(22)	(55)	(125)	(3)
- other investment	37	(15)	(38)	45
Foreign exchange gain/(loss), net				
- realised	(1,670)	(320)	(2,484)	(367)
- unrealised	708	(294)	1,019	(273)
Gain on capital repayment from investment in an associate	104	-	104	-

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Notes To The Financial Statements
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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	158,481	23,237	39,457	-	221,175
Inter-segment	6,714	19,655	-	(26,369)	-
Total revenue	165,195	42,892	39,457	(26,369)	221,175
Profit from operations					8,578
Finance costs					(2,352)
Share of loss in an associate					(132)
Profit before taxation					6,094
Other information					
Segment assets	469,262	25,407	-	(57,108)	437,561
Deferred tax asset				5	5
Consolidated total assets					437,566

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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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 2015	30 April 2015
	RM'000	RM'000
Corporate guarantees in respect of banking facilities utilised by a subsidiary	2,435	1,700

The Company has provided corporate guarantees for banking facilities granted to four of its wholly-owned subsidiaries totaling RM14.1 million (30.4.2015: RM14.1 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 (30.4.2015: RM2.0 million).

A14 Capital commitments

	Group	
	31 October 2015	30 April 2015
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	-	493
Authorised but not contracted for	3,000	17,215

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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)	
	2015	2014		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	82,161	85,049	(2,888)	(3.4)
- Singapore	12,288	11,599	689	5.9
- Other countries	19,413	14,426	4,987	34.6
Total Revenue	113,862	111,074	2,788	2.5
Profit Before Tax	4,093	4,096	(3)	(0.1)
Profit After Tax	2,847	3,290	(443)	(13.5)

The Group's revenue for the quarter ended 31 October 2015 increased by 2.5% to RM113.9 million compared to RM111.1 million for the preceding year corresponding quarter due mainly to higher average selling prices.

Despite the rise in revenue, profit before taxation reduced slightly by 0.1% due mainly to impairment losses on property, plant and equipment as well as higher finance costs as a result of increased borrowings. Meanwhile, profit after tax reduced by 13.5% to RM2.9 million compared to RM3.3 million for the preceding year corresponding quarter due mainly to higher deferred tax provision for the quarter under review.

B2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	82,161	76,320	5,841	7.7
- Singapore	12,288	10,949	1,339	12.2
- Other countries	19,413	20,044	(631)	(3.1)
Total Revenue	113,862	107,313	6,549	6.1
Profit Before Tax	4,093	2,001	2,092	104.5
Profit After Tax	2,847	1,802	1,045	58.0

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B2 Variance of results against preceding quarter (continued)

The Group's revenue increased by 6.1% from RM107.3 million to RM113.9 million compared to the preceding quarter due mainly to the upturn in business volume and higher average selling prices.

Profit before taxation and profit after taxation, however, increased significantly by 104.5% and 58.0% from RM2.0 million and RM1.8 million to RM4.1 million and RM2.8 million respectively due mainly to better profit margins.

B3 Current year prospects

Global economic activity expanded at a moderate pace across economies in the third quarter of 2015 with diverging growth momentum across economies. In Asia, growth was supported by domestic demand amid weak export performance. Going forward, global growth is expected to remain uncertain with downside risks arising from decelerating growth momentum across major economies, uncertainty surrounding energy and commodity prices as well as market volatility as a result of policy shifts.

On the local front, the Malaysian economy recorded a growth of 4.7% in the third quarter of 2015, supported mainly by private sector demand. Growth in the construction sector improved mainly due to a faster expansion in the sub-sector of civil engineering and specialized construction industries. The Malaysian economy is expected to remain on a steady growth path with domestic demand continuing to be the key driver for growth.

In view of the volatilities in the financial and commodity markets, the Group will continue to maintain a healthy balance sheet in preparation for any unfavorable market conditions. Nonetheless, the Group will remain opportunistic and expand its business at a gradual pace with careful considerations. Barring unforeseen circumstances, the Board is 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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current income tax	457	1,190	1,179	2,081
Deferred tax	789	(384)	266	(517)
	1,246	806	1,445	1,564

The Group's effective tax rate for the quarter under review is higher than the statutory tax rate due mainly to higher provision for deferred tax expense.

However, the Group's effective tax rate for the period to date is lower than the statutory tax rate due principally to the availability of non-taxable income.

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 2015	30 April 2015
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	61,643	77,600
Revolving credit	10,000	-
Bank overdrafts	18	12
Term loans	-	15,000
	71,661	92,612
Long term borrowings (unsecured)		
Term loans	20,000	17,500

All borrowings are denominated in Ringgit Malaysia.

LB ALUMINIUM BERHAD (138535-V)
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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 2015	30 April 2015
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	162,527	163,223
- Unrealised	(21,956)	(22,248)
	140,571	140,975
Total share of retained earnings from an associate:		
- Realised	96	227
- Unrealised	-	-
	96	227
Less: Consolidation adjustments	(646)	(860)
Total Group retained earnings	140,021	140,342

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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	2,847	4,649
<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)	1.15	1.87

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: 10 December 2015