

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 31 January 2016

	As at 31 January 2016 RM'000	As at 30 April 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	229,626	233,196
Investment in an associate	-	505
Other investments	908	810
Deferred tax asset	86	4
	<u>230,620</u>	<u>234,515</u>
Current assets		
Inventories	80,341	90,594
Trade and other receivables	111,004	104,429
Derivative financial asset	-	115
Current tax assets	220	1,094
Short term deposits	11,062	17,394
Cash and bank balances	16,576	8,284
	<u>219,203</u>	<u>221,910</u>
TOTAL ASSETS	<u>449,823</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	3,949	1,729
Retained earnings	145,235	140,342
Total equity	<u>274,955</u>	<u>267,842</u>
Non-current liabilities		
Bank borrowings (unsecured)	20,000	17,500
Deferred tax liabilities	21,091	22,255
	<u>41,091</u>	<u>39,755</u>
Current liabilities		
Trade and other payables	57,259	55,355
Derivative financial liabilities	428	-
Bank borrowings (unsecured)	73,900	92,612
Current tax liabilities	2,190	861
	<u>133,777</u>	<u>148,828</u>
TOTAL LIABILITIES	<u>174,868</u>	<u>188,583</u>
TOTAL EQUITY AND LIABILITIES	<u>449,823</u>	<u>456,425</u>
	RM	RM
Net assets per share	<u>1.11</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 January 2016

	Current quarter ended		Cumulative period ended	
	31 January 2016 RM'000	31 January 2015 RM'000	31 January 2016 RM'000	31 January 2015 RM'000
Revenue	114,486	116,588	335,661	337,691
Operating expenses	(108,295)	(114,033)	(323,966)	(324,324)
Other operating income	946	607	4,020	1,443
Profit from operations	7,137	3,162	15,715	14,810
Finance costs	(1,050)	(855)	(3,402)	(2,363)
Share of loss in an associate	0	(6)	(132)	(18)
Profit before taxation	6,087	2,301	12,181	12,429
Taxation	(873)	(299)	(2,318)	(1,863)
Net profit for the year	5,214	2,002	9,863	10,566
Other comprehensive income/(expense)				
- Foreign currency translations	(319)	698	2,220	460
Total comprehensive income for the period, net of tax, attributable to owners of parent	4,895	2,700	12,083	11,026
Basic earnings per share attributable to owners of the parent (sen)				
- Basic	2.10	0.81	3.97	4.25
- 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 January 2016

	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	-	-	460	10,566	11,026
Dividend paid	-	-	-	(4,970)	(4,970)
Balance as at 31 January 2015	<u>124,243</u>	<u>1,528</u>	<u>1,555</u>	<u>137,717</u>	<u>265,043</u>
Balance as at 1 May 2015	124,243	1,528	1,729	140,342	267,842
Total comprehensive income for the period	-	-	2,220	9,863	12,083
Dividend paid	-	-	-	(4,970)	(4,970)
Balance as at 31 January 2016	<u>124,243</u>	<u>1,528</u>	<u>3,949</u>	<u>145,235</u>	<u>274,955</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 Changes in Equity
For the financial period ended 31 January 2016

	Period ended 31 January 2016 RM'000	Period ended 31 January 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,181	12,429
Adjustments for		
Depreciation of property, plant and equipment	13,521	12,342
Dividend income from quoted share in Malaysia	(34)	(34)
Bad debts written off	37	-
Fair value adjustments on:		
- Derivatives	543	(323)
- Other investment	(98)	113
Loss on disposal of property, plant and equipment	19	13
Property, plant and equipment written off	79	818
Intangible asset written off	-	2
Impairment loss on:		
- Receivables	580	2,095
- Property, plant and equipment	2,718	1
Reversal of impairment loss on:		
- Receivables	(1,550)	(334)
- Property, plant and equipment	(77)	-
Inventories written down	855	-
Inventories written off	160	71
Interest income	(257)	(490)
Interest expense	3,402	2,363
Unrealised (gain)/loss on foreign exchange	(1,578)	1,160
Gain on capital repayment from investment in an associate	(104)	-
Share of loss in an associate	132	18
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Operating profit before working capital changes	30,529	30,244
Decrease/(Increase) in inventories	9,246	(36,102)
Increase in receivables	(4,547)	(3,401)
Increase in payables	2,124	2,847
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Cash generated from/(used in) operations	37,352	(6,412)
Tax refund	335	-
Tax paid	(1,744)	(2,896)
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Net cash generated from/(used in) operating activities	35,943	(9,308)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	87	28
Purchases of property, plant and equipment	(12,660)	(22,612)
Proceeds from capital repayment for investment in an associate	477	-
Interest received	257	490
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Net cash used in investing activities	(11,805)	(22,060)

(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)
Notes To The Financial Statements
For the financial period ended 31 January 2016

	Period ended 31 January 2016 RM'000	Period ended 31 January 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,970)	(4,970)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	(13,700)	33,000
- Import foreign currency loans, net	-	4,625
- term loan	(12,500)	(13,000)
- revolving credit	10,000	-
Interest paid	(3,403)	(2,363)
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Net cash (used in)/generated from financing activities	(24,573)	17,292
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(435)	(14,076)
Effect of exchange rate changes on cash and cash equivalents	2,407	149
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,666	35,101
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CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	27,638	21,174
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COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	11,062	8,321
Cash and bank balances	16,576	13,013
Bank overdrafts	-	(160)
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	27,638	21,174
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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.

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, 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

(iii) Amendments to MFRSs issued but effective date not yet announced

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

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.

No dividend has been paid during the current quarter under review.

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

	Quarter ended 31 January		Year-to-date ended 31 January	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income/(expense):				
Depreciation of property, plant and equipment	(4,658)	(4,170)	(13,521)	(12,342)
Loss on disposal of property, plant and equipment	(1)	-	(19)	(13)
Property, plant and equipment written off	(23)	(596)	(79)	(818)
Intangible asset written off	-	-	-	(2)
Bad debts recovery	-	-	-	2
Bad debts written off	(26)	-	(37)	-
Impairment losses on				
- property, plant and equipment	(983)	(1)	(2,718)	(1)
- receivables	(580)	-	(580)	(2,095)
Reversal of impairment loss on				
- receivables	66	63	1,550	334
- property, plant and equipment	23	-	77	-
Inventories written down	(855)	-	(855)	-
Inventories written off	(36)	(4)	(160)	(71)
Interest income	72	94	257	490
Interest expense	(1,050)	(855)	(3,402)	(2,363)
Dividend income from quoted share in Malaysia	34	34	34	34
Fair value adjustments on:				
- derivatives	(418)	(326)	(543)	323
- other investment	136	(158)	98	(113)
Foreign exchange gain/(loss), net				
- realised	(458)	(422)	(2,942)	(789)
- unrealised	559	(887)	1,578	(1,160)
Gain on capital repayment from investment in an associate	-	-	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	245,577	35,457	54,627	-	335,661
Inter-segment	8,722	29,818	-	(38,540)	-
Total revenue	254,299	65,275	54,627	(38,540)	335,661
Profit from operations					15,715
Finance costs					(3,402)
Share of loss in an associate					(132)
Profit before taxation					12,181
Other information					
Segment assets	480,509	25,105	-	(55,877)	449,737
Deferred tax asset				86	86
Consolidated total assets					449,823

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
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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 January 2016	30 April 2015
	RM'000	RM'000
Corporate guarantees in respect of banking facilities utilised by a subsidiary	2,960	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 January 2016	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 January		Increase/(Decrease)	
	2016	2015		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	87,096	84,367	2,729	3.2
- Singapore	12,220	11,297	923	8.2
- Other countries	15,170	20,924	(5,754)	(27.5)
Total Revenue	114,486	116,588	(2,102)	(1.8)
Profit Before Tax	6,087	2,301	3,786	164.5
Profit After Tax	5,214	2,002	3,212	160.4

The Group's revenue for the quarter ended 31 January 2016 decreased by 1.8% to RM114.5 million compared to RM116.6 million for the preceding year corresponding quarter due mainly to lower business volume.

Despite the decrease in revenue, profit before taxation and profit after taxation increased significantly by 164.5% and 160.4% to RM6.1 million and RM5.2 million from RM2.3 million and RM2.0 million respectively due mainly to better profit margins arising from the decrease in aluminium prices.

B2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	87,096	82,161	4,935	6.0
- Singapore	12,220	12,288	(68)	(0.6)
- Other countries	15,170	19,413	(4,243)	(21.9)
Total Revenue	114,486	113,862	624	0.5
Profit Before Tax	6,087	4,093	1,994	48.7
Profit After Tax	5,214	2,847	2,367	83.1

B2 Variance of results against preceding quarter (continued)

The Group's revenue increased slightly by 0.5% from RM113.9 million to RM114.5 million compared to the preceding quarter due mainly to the higher business volume from the domestic market offset by a decrease in export volume.

Profit before taxation and profit after taxation, however, increased significantly by 48.7% and 83.1% from RM4.1 million and RM2.8 million to RM6.1 million and RM5.2 million respectively due mainly to better profit margins for the reasons mentioned in B1 above.

B3 Current year prospects

Global economic activity expanded at a moderate pace across economies in the fourth quarter of 2015 with diverging growth momentum across economies. In Asia, growth was supported by domestic demand amid weak export performance. Going forward, downside risk to the global outlook will remain elevated due to concerns over the growth prospects of the major economies, fall in energy prices and global policy shifts.

On the local front, the Malaysian economy recorded growth of 4.5% in the fourth quarter of 2015, supported mainly by private sector demand. Growth in the construction sector declined mainly due to a slower expansion in the non-residential sub-sector. The Malaysian economy is expected to face a challenging operating environment in the immediate future. Growth will continue to be driven by domestic demand and is expected to remain modest.

In view of the uncertainty surrounding both the global and local economy, the Group will continue to maintain a healthy balance sheet and focus on improving efficiency and productivity in preparation for any unfavorable market conditions. 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)
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B5 Taxation

	Quarter ended 31 January		Year-to-date ended 31 January	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current income tax	2,386	6	3,565	2,087
Deferred tax	(1,513)	293	(1,247)	(224)
	873	299	2,318	1,863

The Group's effective tax rates for the quarter under review and financial period to date are lower than the statutory tax rate due to the availability of non-taxable income and reinvestment allowance arising from capital expenditures incurred during the current and 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 January 2016	30 April 2015
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	63,900	77,600
Revolving credit	10,000	-
Bank overdrafts	-	12
Term loans	-	15,000
	73,900	92,612
Long term borrowings (unsecured)		
Term loans	20,000	17,500

All borrowings are denominated in Ringgit Malaysia.

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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.

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 January 2016	30 April 2015
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	165,918	163,223
- Unrealised	(20,193)	(22,248)
	145,725	140,975
Total share of retained earnings from an associate:		
- Realised	96	227
- Unrealised	-	-
	96	227
Less: Consolidation adjustments	(586)	(860)
Total Group retained earnings	145,235	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	5,214	9,863
<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)	2.10	3.97

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: 25 March 2016