

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 30 April 2016

	As at 30 April 2016 RM'000	As at 30 April 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	228,476	233,196
Investment in an associate	-	505
Other investments	998	810
Deferred tax asset	152	4
	<u>229,626</u>	<u>234,515</u>
Current assets		
Inventories	73,689	90,594
Trade and other receivables	110,069	104,429
Derivative financial asset	-	115
Current tax assets	144	1,094
Short term deposits	30,343	17,394
Cash and bank balances	10,359	8,284
	<u>224,604</u>	<u>221,910</u>
TOTAL ASSETS	<u>454,230</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	3,692	1,729
Retained earnings	151,092	140,342
Total equity	<u>280,555</u>	<u>267,842</u>
Non-current liabilities		
Bank borrowings (unsecured)	15,000	17,500
Deferred tax liabilities	16,145	22,255
	<u>31,145</u>	<u>39,755</u>
Current liabilities		
Trade and other payables	65,833	55,355
Derivative financial liabilities	1,156	-
Bank borrowings (unsecured)	71,677	92,612
Current tax liabilities	3,864	861
	<u>142,530</u>	<u>148,828</u>
TOTAL LIABILITIES	<u>173,675</u>	<u>188,583</u>
TOTAL EQUITY AND LIABILITIES	<u>454,230</u>	<u>456,425</u>
	RM	RM
Net assets per share	<u>1.13</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 30 April 2016

	Current quarter ended		Cumulative period ended	
	30 April 2016 RM'000	30 April 2015 RM'000	30 April 2016 RM'000	30 April 2015 RM'000
Revenue	109,163	116,770	444,823	454,461
Operating expenses	(105,109)	(113,054)	(429,076)	(437,378)
Other operating income	1,119	49	5,139	1,492
Profit from operations	5,173	3,765	20,886	18,575
Finance costs	(1,044)	(1,016)	(4,446)	(3,379)
Share of (loss)/profit in an associate	-	36	(132)	19
Profit before taxation	4,129	2,785	16,308	15,215
Taxation	1,730	(161)	(588)	(2,024)
Net profit for the year	5,859	2,624	15,720	13,191
Other comprehensive income/(expense)				
- Foreign currency translations	(256)	174	1,963	634
Total comprehensive income for the period, net of tax, attributable to owners of parent	5,603	2,798	17,683	13,825
Basic earnings per share attributable to owners of the parent (sen)				
- Basic	2.36	1.06	6.33	5.31
- 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 30 April 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	-	-	634	13,191	13,825
Dividend paid	-	-	-	(4,970)	(4,970)
Balance as at 30 April 2015	<u>124,243</u>	<u>1,528</u>	<u>1,729</u>	<u>140,342</u>	<u>267,842</u>
Balance as at 1 May 2015	124,243	1,528	1,729	140,342	267,842
Total comprehensive income for the period	-	-	1,963	15,720	17,683
Dividend paid	-	-	-	(4,970)	(4,970)
Balance as at 30 April 2016	<u>124,243</u>	<u>1,528</u>	<u>3,692</u>	<u>151,092</u>	<u>280,555</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 30 April 2016

	Period ended 30 April 2016 RM'000	Period ended 30 April 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,308	15,215
Adjustments for		
Depreciation of property, plant and equipment	18,013	16,551
Dividend income from quoted share in Malaysia	(34)	(34)
Bad debts written off	149	-
Fair value adjustments on:		
- Derivatives	1,270	(138)
- Other investment	(188)	105
Loss on disposal of property, plant and equipment	25	13
Property, plant and equipment written off	3,312	824
Intangible asset written off	-	2
Impairment loss on:		
- Inventories	855	-
- Property, plant and equipment	3,015	1
- Receivables	2,891	2,374
Reversal of impairment loss on:		
- Property, plant and equipment	(2,858)	-
- Receivables	(3,306)	(447)
Inventories written off	200	90
Interest income	(410)	(580)
Interest expense	4,446	3,379
Unrealised (gain)/loss on foreign exchange	(415)	131
Gain on capital repayment from investment in an associate	(104)	-
Share of loss/(profit) in an associate	132	(19)
	<hr/>	<hr/>
Operating profit before working capital changes	43,301	37,467
Decrease/(Increase) in inventories	15,858	(36,576)
Increase in receivables	(4,631)	(9,701)
Increase in payables	10,296	8,249
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Cash generated from/(used in) operations	64,824	(561)
Tax refund	335	-
Tax paid	(3,274)	(3,072)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	61,885	(3,633)
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CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	104	28
Purchases of property, plant and equipment	(16,780)	(41,440)
Proceeds from capital repayment for investment in an associate	477	-
Interest received	410	580
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Net cash used in investing activities	(15,755)	(40,798)
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(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 30 April 2016

	Period ended 30 April 2016 RM'000	Period ended 30 April 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,970)	(4,970)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	(21,080)	47,800
- Import foreign currency loans, net	-	(4,200)
- term loan	(12,500)	(500)
- revolving credit	10,000	-
Interest paid	(4,446)	(3,379)
	<u>(32,996)</u>	<u>34,751</u>
Net cash (used in)/generated from financing activities	<u>(32,996)</u>	<u>34,751</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,134	(9,680)
Effect of exchange rate changes on cash and cash equivalents	1,745	245
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,666	35,101
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>40,545</u>	<u>25,666</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	30,343	17,394
Cash and bank balances	10,359	8,284
Bank overdrafts	(157)	(12)
	<u>40,545</u>	<u>25,666</u>

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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Notes To The Financial Statements
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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, 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 2017

Amendments to MFRS 107: Disclosure Initiative
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

(iii) 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

(iv) 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.

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A4 Seasonal or cyclical factors

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

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
For the financial period ended 30 April 2016

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

	Quarter ended 30 April		Year-to-date ended 30 April	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income/(expense):				
Depreciation of property, plant and equipment	(4,492)	(4,170)	(18,013)	(16,551)
Loss on disposal of property, plant and equipment	(6)	-	(25)	(13)
Property, plant and equipment written off	(3,233)	(6)	(3,312)	(824)
Intangible asset written off	-	-	-	(2)
Bad debts recovery	-	-	-	2
Bad debts written off	(112)	-	(149)	-
Impairment losses on				
- inventories	-	-	(855)	-
- property, plant and equipment	(297)	-	(3,015)	(1)
- receivables	(2,311)	(279)	(2,891)	(2,374)
Reversal of impairment loss on				
- property, plant and equipment	2,781	-	2,858	-
- receivables	1,756	113	3,306	447
Inventories written off	(40)	(19)	(200)	(90)
Interest income	153	90	410	580
Interest expense	(1,044)	(1,016)	(4,446)	(3,379)
Dividend income from quoted share in Malaysia	-	-	34	34
Fair value adjustments on:				
- derivatives	(727)	(185)	(1,270)	138
- other investment	90	8	188	(105)
Foreign exchange gain/(loss), net				
- realised	(22)	(808)	(2,964)	(1,597)
- unrealised	(1,163)	1,029	415	(131)
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	329,018	45,995	69,810	-	444,823
Inter-segment	11,972	38,386	-	(50,358)	-
Total revenue	340,990	84,381	69,810	(50,358)	444,823
Profit from operations					20,886
Finance costs					(4,446)
Share of loss in an associate					(132)
Profit before taxation					16,308
Other information					
Segment assets	482,058	14,164	-	(42,144)	454,078
Deferred tax asset				152	152
Consolidated total assets					454,230

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

Pursuant to a special resolution passed on 23 May 2013 on the Member's Voluntary winding up of Calltime Technology Sdn Bhd ("CallTime"), an associate company of the Group, the aforementioned company has completed its liquidation on 28 April 2016.

There were no other changes in the composition of the Group during the current quarter under review.

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	
	30 April 2016	30 April 2015
	RM'000	RM'000
Corporate guarantees in respect of banking facilities utilised by a subsidiary	2,470	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	
	30 April 2016	30 April 2015
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	-	493
Authorised but not contracted for	7,797	17,215

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Notes To The Financial Statements
For the financial period ended 30 April 2016

A15 Significant Related Party Transactions

The Group has a number of significant related party transactions with companies in which a Director is deemed to have an interest by virtue of his direct and indirect shareholdings. The significant related party transactions during the current quarter under review are as follows:

Transacting parties and transaction details	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	13,347
HongLee Group (M) Sdn Bhd - Sales of aluminium extrusions profile - Purchase of accessories	496 34
Ritecorp Sdn Bhd - Rental of premises	15
	13,892

The related party transactions had been entered into in the ordinary course of business on normal commercial terms.

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Notes To The Financial Statements
For the financial period ended 30 April 2016

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter ended 30 April		Increase/(Decrease)	
	2016	2015		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	83,442	85,515	(2,073)	(2.4)
- Singapore	10,538	9,611	927	9.6
- Other countries	15,183	21,644	(6,461)	(29.9)
Total Revenue	109,163	116,770	(7,607)	(6.5)
Profit Before Tax	4,129	2,785	1,344	48.3
Profit After Tax	5,859	2,624	3,235	123.3

The Group's revenue for the quarter ended 30 April 2016 decreased by 6.5% to RM109.2 million compared to RM116.8 million for the preceding year corresponding quarter due mainly to both lower business volume and average selling price.

Despite the decrease in revenue, profit before taxation and profit after taxation increased significantly by 48.3% and 123.3% to RM4.1 million and RM5.9 million from RM2.8 million and RM2.6 million respectively due mainly to better profit margins arising from the decrease in raw material prices as well as lower provision for taxation.

B2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	83,442	87,096	(3,654)	(4.2)
- Singapore	10,538	12,220	(1,682)	(13.8)
- Other countries	15,183	15,170	13	0.1
Total Revenue	109,163	114,486	(5,323)	(4.6)
Profit Before Tax	4,129	6,087	(1,958)	(32.2)
Profit After Tax	5,859	5,214	645	12.4

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 30 April 2016

B2 Variance of results against preceding quarter (continued)

The Group's revenue decreased by 4.6% from RM114.5 million to RM109.2 million compared to the preceding quarter due mainly to lower business volume and average selling price.

Profit before taxation also decreased by 32.2% from RM6.1 million to RM4.1 million due mainly to the above reasons as well as higher foreign exchange losses during the quarter under review.

However, profit after taxation increased by 12.4% from RM5.2 million to RM5.9 million due mainly to lower provision for taxation during the quarter under review.

B3 Current year prospects

Global economic activity expanded at a moderate pace across economies in the first quarter of 2016 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 remain elevated due to concerns over the growth prospects of major economies, volatility in energy prices and global policy shifts.

On the local front, the Malaysian economy recorded growth of 4.2% in the first quarter of 2016, supported mainly by private sector demand. Growth in the construction sector remains subdued mainly due to the slower expansion in both the residential and non-residential sub-sectors. The Malaysian economy is expected to remain on a modest growth path in the immediate future, sustained by domestic demand.

In view of the challenging economic environment globally and domestically, 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)
Notes To The Financial Statements
For the financial period ended 30 April 2016

B5 Taxation

	Quarter ended 30 April		Year-to-date ended 30 April	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense/(income)	3,282	(253)	6,847	1,834
Deferred tax (income)/expense	(5,012)	414	(6,259)	190
	(1,730)	161	588	2,024

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 year.

The current tax expense for the quarter under review and financial period to date have increased compared to the preceding year due mainly to the change in Income Tax Rulings effective from Year of Assessment 2016 with regards to the chargeability of advance deposits received from customers. This has also resulted in the corresponding increase in deferred tax income arising from recognition of the relevant deferred tax asset.

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

	30 April 2016	30 April 2015
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	56,520	77,600
Revolving credit	10,000	-
Bank overdrafts	157	12
Term loans	5,000	15,000
	71,677	92,612
Long term borrowings (unsecured)		
Term loans	15,000	17,500
Total Borrowings	86,677	110,112

All borrowings are denominated in Ringgit Malaysia.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 30 April 2016

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 have recommended a first and final single tier dividend of 2.00 sen per share (2015: 2.00 sen per share) based on the paid up and share capital of RM124,243,167 comprising of 248,486,334 ordinary shares of RM0.50 each (2015: 248,486,334 ordinary shares of RM0.50 each) in respect of the Company's financial year ended 30 April 2016 amounting to RM4,969,727 (2015: RM4,969,727).

The proposed dividend is subject to the approval of shareholders at the annual general meeting to be held on a date which shall be announced later. The date of payment of the dividend and the date for the determination of dividend entitlement would also be announced later.

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.

	30 April 2016	30 April 2015
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	168,857	163,223
- Unrealised	(16,983)	(22,248)
	151,874	140,975
Total share of retained earnings from an associate:		
- Realised	96	227
- Unrealised	-	-
	96	227
Less: Consolidation adjustments	(878)	(860)
Total Group retained earnings	151,092	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	5,859	15,720
<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)	2.36	6.33

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: 23 June 2016