

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

	As at 31 July 2016 RM'000	As at 30 April 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	225,829	228,475
Other investments	1,238	998
Deferred tax asset	184	152
	<u>227,251</u>	<u>229,625</u>
Current assets		
Inventories	73,233	73,689
Trade and other receivables	115,202	107,797
Derivative financial asset	89	-
Current tax assets	136	144
Short term deposits	40,202	30,343
Cash and bank balances	13,488	10,359
	<u>242,350</u>	<u>222,332</u>
TOTAL ASSETS	<u>469,601</u>	<u>451,957</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	124,243	124,243
Share premium	1,528	1,528
Reserves		
Exchange reserve	4,198	3,692
Retained earnings	156,210	151,093
Total equity	<u>286,179</u>	<u>280,556</u>
Non-current liabilities		
Bank borrowings (unsecured)	15,000	15,000
Deferred tax liabilities	16,431	16,144
	<u>31,431</u>	<u>31,144</u>
Current liabilities		
Trade and other payables	76,304	63,561
Derivative financial liabilities	-	1,155
Bank borrowings (unsecured)	71,700	71,677
Current tax liabilities	3,987	3,864
	<u>151,991</u>	<u>140,257</u>
TOTAL LIABILITIES	<u>183,422</u>	<u>171,401</u>
TOTAL EQUITY AND LIABILITIES	<u>469,601</u>	<u>451,957</u>
	RM	RM
Net assets per share	<u>1.15</u>	<u>1.13</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 April 2016)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income
For the financial period ended 31 July 2016

	Current quarter ended		Cumulative period ended	
	31 July 2016 RM'000	31 July 2015 RM'000	31 July 2016 RM'000	31 July 2015 RM'000
Revenue	109,689	107,313	109,689	107,313
Operating expenses	(106,517)	(105,999)	(106,517)	(105,999)
Other operating income	4,307	1,859	4,307	1,859
Profit from operations	7,479	3,173	7,479	3,173
Finance costs	(1,014)	(1,169)	(1,014)	(1,169)
Share of loss in an associate	-	(3)	-	(3)
Profit before taxation	6,465	2,001	6,465	2,001
Taxation	(1,348)	(199)	(1,348)	(199)
Net profit for the year	5,117	1,802	5,117	1,802
Other comprehensive income/(expense)				
- Foreign currency translations	506	554	506	554
Total comprehensive income for the period, net of tax, attributable to owners of parent	5,623	2,356	5,623	2,356
Basic earnings per share attributable to owners of the parent (sen)				
- Basic / Diluted	2.06	0.73	2.06	0.73

(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 2016)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 July 2016

	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 May 2015	124,243	1,528	1,729	140,342	267,842
Total comprehensive income for the period	-	-	554	1,802	2,356
Balance as at 31 July 2015	<u>124,243</u>	<u>1,528</u>	<u>2,283</u>	<u>142,144</u>	<u>270,198</u>
Balance as at 1 May 2016	124,243	1,528	3,692	151,093	280,556
Total comprehensive income for the period	-	-	506	5,117	5,623
Balance as at 31 July 2016	<u>124,243</u>	<u>1,528</u>	<u>4,198</u>	<u>156,210</u>	<u>286,179</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 2016)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 July 2016

	Period ended 31 July 2016 RM'000	Period ended 31 July 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,465	2,001
Adjustments for		
Depreciation of property, plant and equipment	4,442	4,328
Bad debts recovery	(2)	-
Fair value adjustments on:		
- Derivatives	(1,245)	103
- Other investment	(240)	75
Gain on disposal of property, plant and equipment	(6)	-
Property, plant and equipment written off	668	2
Impairment loss on:		
- Inventories	-	140
- Property, plant and equipment	3	-
- Receivables	936	-
Reversal of impairment loss on:		
- Property, plant and equipment	(54)	-
- Receivables	(2,191)	(1,374)
Inventories written off	48	60
Interest income	(277)	(77)
Interest expense	1,014	1,169
Unrealised gain on foreign exchange	(297)	(311)
Share of loss in an associate	-	3
	<hr/>	<hr/>
Operating profit before working capital changes	9,264	6,119
Decrease in inventories	418	11,033
(Increase)/Decrease in receivables	(5,564)	845
Increase/(Decrease) in payables	12,450	(6,893)
	<hr/>	<hr/>
Cash generated from operations	16,568	11,104
Tax refund	-	337
Tax paid	(986)	(260)
	<hr/>	<hr/>
Net cash generated from operating activities	15,582	11,181
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CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(2,350)	(3,635)
Interest received	277	77
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Net cash used in investing activities	(2,073)	(3,558)
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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 2016)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 July 2016

	Period ended 31 July 2016 RM'000	Period ended 31 July 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of bankers' acceptances, net	170	(5,582)
Interest paid	<u>(1,014)</u>	<u>(1,169)</u>
Net cash used in financing activities	<u>(844)</u>	<u>(6,751)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,665	872
Effect of exchange rate changes on cash and cash equivalents	470	584
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	40,545	25,666
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>53,680</u></u>	<u><u>27,122</u></u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	40,202	15,540
Cash and bank balances	13,488	11,582
Bank overdrafts	(10)	-
	<u><u>53,680</u></u>	<u><u>27,122</u></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 2016. 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 2016.

A2 Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2016 except for the adoption of the following new accounting standards (including the consequential amendments, if any):

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

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

(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, 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

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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 2017

Amendments to MFRS 107: Disclosure Initiative

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

(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) Effective for the financial periods beginning on or after 1 January 2019

MFRS 16 Leases

(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

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Notes To The Financial Statements
For the financial period ended 31 July 2016

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2016.

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

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

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

	Quarter ended		Year-to-date ended	
	31 July		31 July	
	2016	2015	2016	2015
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,442)	(4,328)	(4,442)	(4,328)
Bad debts recovery	2	-	2	-
Fair value adjustments on:				
- derivatives	1,245	(103)	1,245	(103)
- other investment	240	(75)	240	(75)
Gain on disposal of property, plant and equipment	6	-	6	-
Property, plant and equipment written off	(668)	(2)	(668)	(2)
Impairment losses on				
- inventories	-	(140)	-	(140)
- property, plant and equipment	(3)	-	(3)	-
- receivables	(936)	-	(936)	-
Reversal of impairment loss on				
- property, plant and equipment	54	-	54	-
- receivables	2,191	1,374	2,191	1,374
Inventories written off	(48)	(60)	(48)	(60)
Interest income	277	77	277	77
Interest expense	(1,014)	(1,169)	(1,014)	(1,169)
Foreign exchange gain/(loss), net				
- realised	(682)	(814)	(682)	(814)
- unrealised	297	311	297	311

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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	83,432	11,569	14,688	-	109,689
Inter-segment	3,277	9,420	-	(12,697)	-
Total revenue	86,709	20,989	14,688	(12,697)	109,689
Profit from operations					7,479
Finance costs					(1,014)
Share of loss in an associate					-
Profit before taxation					6,465
Other information					
Segment assets	495,689	16,087	-	(42,359)	469,417
Deferred tax asset				184	184
Consolidated total assets					469,601

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.

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 July 2016	30 April 2016
	RM'000	RM'000
Corporate guarantees in respect of banking facilities utilised by a subsidiary	3,690	2,470

The Company has provided corporate guarantees for banking facilities granted to four of its wholly-owned subsidiaries totaling RM14.1 million (30.4.2016: 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 (30.4.2016: RM2.0 million).

A14 Capital commitments

	Group	
	31 July 2016	30 April 2016
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	-	-
Authorised but not contracted for	7,797	7,797

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Notes To The Financial Statements
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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	21,483
HongLee Group (M) Sdn Bhd - Sales of aluminium extrusions profile - Purchase of accessories	741 14
Ritecorp Sdn Bhd - Rental of premises	15
	22,253

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

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B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter ended 31 July		Increase/(Decrease)	
	2016	2015		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	83,432	76,320	7,112	9.3
- Singapore	11,569	10,949	620	5.7
- Other countries	14,688	20,044	(5,356)	(26.7)
Total Revenue	109,689	107,313	2,376	2.2
Profit Before Tax	6,465	2,001	4,464	223.1
Profit After Tax	5,117	1,802	3,315	184.0

The Group's revenue for the quarter ended 31 July 2016 increased by 2.2% to RM109.7 million compared to RM107.3 million for the preceding year corresponding quarter due mainly to higher business volume.

Profit before taxation and profit after taxation increased significantly by 223.1% and 184.0% to RM6.5 million and RM5.1 million from RM2.0 million and RM1.8 million respectively due mainly to better profit margins arising from the decrease in raw material prices.

B2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	83,432	83,442	(10)	(0.0)
- Singapore	11,569	10,538	1,031	9.8
- Other countries	14,688	15,183	(495)	(3.3)
Total Revenue	109,689	109,163	526	0.5
Profit Before Tax	6,465	4,129	2,336	56.6
Profit After Tax	5,117	5,859	(742)	(12.7)

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Notes To The Financial Statements
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B2 Variance of results against preceding quarter (continued)

The Group's revenue increased slightly by 0.5% from RM109.2 million to RM109.7 million compared to the preceding quarter due mainly to higher average selling price.

Profit before taxation increased significantly by 56.6% from RM4.1 million to RM6.5 million due mainly to the reason mentioned in Note B1 above.

However, profit after taxation decreased by 12.7% from RM5.9 million to RM5.1 million due mainly to lower provision for taxation during the preceding quarter as a result of the availability of reinvestment allowance arising from capital expenditures incurred during the previous financial year.

B3 Current year prospects

The global economy expanded at a more moderate pace in the second quarter of 2016 amid continued cyclical and structural weaknesses in the advanced economies. In Asia, domestic demand remained supportive of economic growth, but export performance remained weak. Going forward, global economic activity is expected to remain subdued.

In the second quarter of 2016, the Malaysian economy registered a lower quarterly growth of 4.0% compared to 4.2% in the preceding quarter. The Ringgit depreciated against US Dollar during the same quarter due to uncertainties surrounding US monetary policy and strong pressure from the continued volatility in oil prices. The Malaysian economy is expected to grow at around 4.0% to 4.5% supported mainly by domestic demand from private sector spending. While private investment has moderated due to slowdown in oil and gas sector, overall investment will remain supported by the implementation of infrastructure development projects and capital spending in the manufacturing and services sectors.

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 31 July 2016

B5 Taxation

	Quarter ended 31 July		Year-to-date ended 30 July	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,093	722	1,093	722
Deferred tax expenses/(income)	255	(523)	255	(523)
	1,348	199	1,348	199

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.

B6 Status of corporate proposals announced

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

B7 Borrowings and debt securities

	31 July 2016	30 April 2016
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	56,690	56,520
Revolving credit	10,000	10,000
Bank overdrafts	10	157
Term loans	5,000	5,000
	71,700	71,677
Long term borrowings (unsecured)		
Term loans	15,000	15,000
Total Borrowings	86,700	86,677

All borrowings are denominated in Ringgit Malaysia.

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Notes To The Financial Statements
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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 July 2016	30 April 2016
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	171,799	167,605
- Unrealised	(14,649)	(15,730)
	157,150	151,875
Less: Consolidation adjustments	(940)	(782)
Total Group retained earnings	156,210	151,093

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Notes To The Financial Statements
For the financial period ended 31 July 2016

B 11 Earnings per share

	Current quarter	Year-to-date
	RM'000	RM'000
Net profit for the period attributable to ordinary shareholders	5,117	5,117
<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)	2.06	2.06

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

Yap Sit Lee
Company Secretary
Date: 29 September 2016