

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

	As at 31 October 2016 RM'000	As at 30 April 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	224,549	228,475
Other investments	1,388	998
Deferred tax asset	214	152
	<u>226,151</u>	<u>229,625</u>
Current assets		
Inventories	81,438	73,689
Trade and other receivables	122,344	104,737
Derivative financial asset	105	-
Current tax assets	153	144
Short term deposits	26,720	30,343
Cash and bank balances	12,106	10,359
	<u>242,866</u>	<u>219,272</u>
TOTAL ASSETS	<u>469,017</u>	<u>448,897</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	124,243	124,243
Share premium	1,528	1,528
Reserves		
Exchange reserve	4,199	3,692
Retained earnings	157,018	151,093
Total equity	<u>286,988</u>	<u>280,556</u>
Non-current liabilities		
Bank borrowings (unsecured)	12,500	15,000
Deferred tax liabilities	15,563	16,144
	<u>28,063</u>	<u>31,144</u>
Current liabilities		
Trade and other payables	67,320	60,501
Derivative financial liabilities	-	1,155
Bank borrowings (unsecured)	81,370	71,677
Current tax liabilities	5,276	3,864
	<u>153,966</u>	<u>137,197</u>
TOTAL LIABILITIES	<u>182,029</u>	<u>168,341</u>
TOTAL EQUITY AND LIABILITIES	<u>469,017</u>	<u>448,897</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 October 2016

	Current quarter ended		Cumulative period ended	
	31 October 2016 RM'000	31 October 2015 RM'000	31 October 2016 RM'000	31 October 2015 RM'000
Revenue	118,279	113,862	227,968	221,175
Operating expenses	(112,715)	(109,672)	(219,231)	(215,671)
Other operating income	2,541	1,215	6,848	3,074
Profit from operations	8,105	5,405	15,585	8,578
Finance costs	(993)	(1,183)	(2,007)	(2,352)
Share of loss in an associate	-	(129)	-	(132)
Profit before taxation	7,112	4,093	13,578	6,094
Taxation	(1,335)	(1,246)	(2,683)	(1,445)
Net profit for the year	5,777	2,847	10,895	4,649
Other comprehensive income				
- Foreign currency translations	1	1,985	507	2,539
Total comprehensive income for the period, net of tax, attributable to owners of parent	5,778	4,832	11,402	7,188
Basic earnings per share attributable to owners of the parent (sen)				
- Basic / Diluted	2.32	1.15	4.38	1.87

(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 October 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	-	-	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>
Balance as at 1 May 2016	124,243	1,528	3,692	151,093	280,556
Total comprehensive income for the period	-	-	507	10,895	11,402
Dividend paid	-	-	-	(4,970)	(4,970)
Balance as at 31 October 2016	<u>124,243</u>	<u>1,528</u>	<u>4,199</u>	<u>157,018</u>	<u>286,988</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 October 2016

	Period ended 31 October 2016 RM'000	Period ended 31 October 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,578	6,094
Adjustments for		
Depreciation of property, plant and equipment	8,859	8,863
Bad debts recovery	(2)	-
Bad debts written off	-	11
Fair value adjustments on:		
- Derivatives	(1,260)	125
- Other investment	(390)	38
(Gain)/loss on disposal of property, plant and equipment	(6)	18
Property, plant and equipment written off	1,550	56
Impairment loss on:		
- Property, plant and equipment	71	1,735
- Receivables	1,263	-
Reversal of impairment loss on:		
- Property, plant and equipment	(140)	(54)
- Receivables	(3,908)	(1,484)
Inventories written off	110	124
Interest income	(566)	(185)
Interest expense	2,007	2,352
Unrealised gain on foreign exchange	(596)	(1,019)
Gain on capital repayment from investment in an associate	-	(104)
Share of loss in an associate	-	132
	<hr/>	<hr/>
Operating profit before working capital changes	20,570	16,702
(Increase)/Decrease in inventories	(7,853)	17,566
Increase in receivables	(11,269)	(3,794)
Increase/(Decrease) in payables	3,682	(4,146)
	<hr/>	<hr/>
Cash generated from operations	5,130	26,328
Tax refund	-	335
Tax paid	(1,943)	(940)
	<hr/>	<hr/>
Net cash generated from operating activities	3,187	25,723
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	6	86
Purchases of property, plant and equipment	(6,357)	(9,482)
Proceeds from capital repayment for investment in an associate	-	477
Interest received	566	185
	<hr/>	<hr/>
Net cash used in investing activities	(5,785)	(8,734)
	<hr/>	<hr/>

(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 October 2016

	Period ended 31 October 2016 RM'000	Period ended 31 October 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,970)	(4,970)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	9,850	(15,957)
- term loan	(2,500)	(12,500)
- revolving credit	-	10,000
Interest paid	(2,007)	(2,352)
	<hr/>	<hr/>
Net cash generated/(used in) financing activities	373	(25,779)
	<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,225)	(8,790)
Effect of exchange rate changes on cash and cash equivalents	506	2,341
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	40,545	25,666
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	38,826	19,217
	<hr/> <hr/>	<hr/> <hr/>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits with licensed financial institutions	26,720	9,189
Cash and bank balances	12,106	10,046
Bank overdrafts	-	(18)
	<hr/>	<hr/>
	38,826	19,217
	<hr/> <hr/>	<hr/> <hr/>

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

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

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

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

A first and final tax single tier 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 2016, amounting to RM4,969,727 was paid on 21 October 2016.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

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

	Quarter ended		Year-to-date ended	
	31 October		31 October	
	2016	2015	2016	2015
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,417)	(4,535)	(8,859)	(8,863)
Bad debts recovery	-	-	2	-
Bad debts written off	-	(11)	-	(11)
Fair value adjustments on:				
- derivatives	15	(22)	1,260	(125)
- other investment	150	37	390	(38)
Gain/(loss) on disposal of property, plant and equipment	-	(18)	6	(18)
Property, plant and equipment written off	(882)	(54)	(1,550)	(56)
Impairment losses on				
- property, plant and equipment	(68)	(1,595)	(71)	(1,735)
- receivables	(327)	-	(1,263)	-
Reversal of impairment loss on				
- property, plant and equipment	86	54	140	54
- receivables	1,717	110	3,908	1,484
Inventories written off	(62)	(64)	(110)	(124)
Interest income	289	108	566	185
Interest expense	(993)	(1,183)	(2,007)	(2,352)
Foreign exchange gain/(loss), net				
- realised	(460)	(1,670)	(1,142)	(2,484)
- unrealised	299	708	596	1,019
Gain on capital repayment from investment in an associate	-	104	-	104

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

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	174,720	22,522	30,726	-	227,968
Inter-segment	7,002	19,897	-	(26,899)	-
Total revenue	181,722	42,419	30,726	(26,899)	227,968
Segment result	14,221	1,364			15,585
Finance costs					(2,007)
Taxation					(2,683)
Profit after taxation					10,895
Other information					
Segment assets	496,790	15,966	-	(43,953)	468,803
Deferred tax asset				214	214
Consolidated total assets					469,017

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.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

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 October 2016	30 April 2016
	RM'000	RM'000
Corporate guarantees in respect of banking facilities utilised by a subsidiary	1,770	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	2,640	-
Authorised but not contracted for	4,963	7,797

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 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	Current quarter	Year-to-date
	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	22,330	43,813
HongLee Group (M) Sdn Bhd - Sales of aluminium extrusions profile - Purchase of accessories	231 4	972 18
Ritecorp Sdn Bhd - Rental of premises	15	30
	22,580	44,833

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

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

B Additional information required by the Bursa Securities' Listing Requirements

B 1 Review of performance

	Quarter ended 31 October		Increase/(Decrease)	
	2016	2015		
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	91,288	82,161	9,127	11.1
- Singapore	10,953	12,288	(1,335)	(10.9)
- Other countries	16,038	19,413	(3,375)	(17.4)
Total Revenue	118,279	113,862	4,417	3.9
Profit Before Tax	7,112	4,093	3,019	73.8
Profit After Tax	5,777	2,847	2,930	102.9

The Group's revenue for the quarter ended 31 October 2016 increased by 3.9% to RM118.3 million compared to RM113.9 million for the preceding year corresponding quarter due mainly to higher business volume.

Profit before taxation and profit after taxation increased significantly by 73.8% and 102.9% to RM7.1 million and RM5.8 million from RM4.1 million and RM2.8 million respectively due mainly to higher business volume, improved margins as well as the reversal of provision of doubtful debts.

B2 Variance of results against preceding quarter

	Current Quarter	Preceding Quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	91,288	83,432	7,856	9.4
- Singapore	10,953	11,569	(616)	(5.3)
- Other countries	16,038	14,688	1,350	9.2
Total Revenue	118,279	109,689	8,590	7.8
Profit Before Tax	7,112	6,465	647	10.0
Profit After Tax	5,777	5,117	660	12.9

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

B2 Variance of results against preceding quarter (continued)

The Group's revenue increased by 7.8% from RM109.7 million to RM118.3 million compared to the preceding quarter due mainly to higher business volume.

Profit before taxation and profit after taxation, increased by 10.0% and 12.9% from RM6.5 million and RM5.1 million to RM7.1 million and RM5.8 million respectively due mainly to higher business volume.

B3 Current year prospects

In the third quarter of 2016, the global economy continued to grow at a moderate pace. In Asia, domestic demand remained an important source of growth amid sluggish export performances. Going forward, the overall global economic conditions will likely continue to be challenging, with subdued growth prospects. The unexpected outcome of the US presidential election have sent markets around the world into major turmoil. Against this backdrop of uncertainties, high market volatility will adversely affect global trades and hinder growths.

The Malaysian economy expanded by 4.3% in the third quarter of 2016 driven mainly by continued expansion in private sector spending and additional support from net exports. The Ringgit depreciated against most major currencies during the same quarter, and will remain volatile until further clarity on the direction of US monetary policy under the new presidential leadership. Despite all this, Bank Negara Malaysia is expecting the Malaysian economy to expand by 4% to 4.5% in 2016. Investment activity will continue to be anchored by the ongoing implementation of infrastructure 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 October 2016

B5 Taxation

	Quarter ended 31 October		Year-to-date ended 31 October	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense	2,233	457	3,326	1,179
Deferred tax expenses/(income)	(898)	789	(643)	266
	1,335	1,246	2,683	1,445

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 October 2016	30 April 2016
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers acceptances	66,370	56,520
Revolving credit	10,000	10,000
Bank overdrafts	-	157
Term loans	5,000	5,000
	81,370	71,677
Long term borrowings (unsecured)		
Term loans	12,500	15,000
Total Borrowings	93,870	86,677

All borrowings are denominated in Ringgit Malaysia.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 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 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 2016	30 April 2016
	RM'000	RM'000
Total retained profits of the Group:		
- Realised	171,226	167,605
- Unrealised	(13,316)	(15,730)
	157,910	151,875
Less: Consolidation adjustments	(892)	(782)
Total Group retained earnings	157,018	151,093

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 October 2016

B 11 Earnings per share

	Current quarter	Year-to-date
	RM'000	RM'000
Net profit for the period attributable to ordinary shareholders	5,777	10,895
<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)	2.32	4.38

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: 8 December 2016