

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 April 2018**

	<b>As at 30 April 2018 RM'000</b>	<b>As at 30 April 2017 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	223,113	226,020
Other investments	1,103	1,620
Deferred tax assets	7	114
	<u>224,223</u>	<u>227,754</u>
Current assets		
Inventories	109,618	96,047
Trade receivables	117,631	108,677
Other receivables	13,034	10,784
Derivative financial asset	70	-
Current tax assets	1,386	204
Short term deposits	24,720	38,332
Cash and bank balances	12,576	6,583
	<u>279,035</u>	<u>260,627</u>
<b>TOTAL ASSETS</b>	<u><b>503,258</b></u>	<u><b>488,381</b></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,189	4,710
Retained earnings	163,961	164,076
Total equity	<u>293,921</u>	<u>294,557</u>
Non-current liabilities		
Bank borrowings (unsecured)	5,000	10,000
Deferred tax liabilities	22,434	21,702
	<u>27,434</u>	<u>31,702</u>
Current liabilities		
Trade payables	37,779	44,423
Other payables	23,798	28,697
Derivative financial liabilities	-	179
Bank borrowings (unsecured)	120,042	86,643
Current tax liabilities	284	2,180
	<u>181,903</u>	<u>162,122</u>
<b>TOTAL LIABILITIES</b>	<u><b>209,337</b></u>	<u><b>193,824</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>503,258</b></u>	<u><b>488,381</b></u>
	<b>RM</b>	<b>RM</b>
Net assets per share	<u>1.18</u>	<u>1.19</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017)

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income**  
**For the financial period ended 30 April 2018**

	Current quarter ended		Cumulative period ended	
	30 April 2018 RM'000	30 April 2017 RM'000	30 April 2018 RM'000	30 April 2017 RM'000
Revenue	121,914	124,537	509,790	465,976
Operating expenses	(121,328)	(118,510)	(501,706)	(446,148)
Profit from operations	586	6,027	8,084	19,828
Other operating income	784	835	3,941	9,743
Profit before interest and tax	1,370	6,862	12,025	29,571
Finance costs	(1,216)	(1,023)	(4,391)	(4,077)
Profit before taxation	154	5,839	7,634	25,494
Taxation	(546)	(4,457)	(1,537)	(7,541)
Net (loss)/profit for the year	(392)	1,382	6,097	17,953
Other comprehensive income				
- Foreign currency translations	(11)	(1)	(521)	1,018
Total comprehensive income for the period, net of tax, attributable to owners of parent	(403)	1,381	5,576	18,971
Basic earnings per share attributable to owners of the parent (sen)				
- Basic / Diluted	(0.16)	0.56	2.45	7.22

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017)

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the financial period ended 30 April 2018**

	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 May 2016	124,243	1,528	3,692	151,093	280,556
Total comprehensive income for the period	-	-	1,018	17,953	18,971
Dividend paid	-	-	-	(4,970)	(4,970)
Effects from adoption of CA 2016 *	1,528	(1,528)	-	-	-
Balance as at 30 April 2017	<u>125,771</u>	<u>-</u>	<u>4,710</u>	<u>164,076</u>	<u>294,557</u>
Balance as at 1 May 2017	125,771	-	4,710	164,076	294,557
Total comprehensive income for the period	-	-	(521)	6,097	5,576
Dividend paid	-	-	-	(6,212)	(6,212)
Balance as at 30 April 2018	<u>125,771</u>	<u>-</u>	<u>4,189</u>	<u>163,961</u>	<u>293,921</u>

\* Pursuant to Section 618(2) of the Companies Act 2016 (“CA 2016”), any outstanding share premium and capital redemption reserve accounts shall become part of share capital.

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 30 April 2018**

	<b>Period ended 30 April 2018 RM'000</b>	<b>Period ended 30 April 2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,634	25,494
Adjustments for		
Depreciation of property, plant and equipment	18,431	17,895
Dividend income from quoted share in Malaysia	(49)	(45)
Bad debts written off/(recovery)	5	(3)
Fair value adjustments on:		
- Derivatives	(248)	(976)
- Other investment	518	(622)
Loss/(Gain) on disposal of property, plant and equipment	6	(52)
Property, plant and equipment written off	4,059	4,166
Impairment losses on:		
- Property, plant and equipment	-	1,282
- Receivables	121	2,579
Reversal of impairment losses on:		
- Property, plant and equipment	(1,508)	(332)
- Receivables	(1,687)	(4,263)
Inventories written off	141	169
Write back of inventories	(221)	(53)
Inventories written down	-	96
Interest income	(1,104)	(1,226)
Interest expense	4,391	4,077
Unrealised loss/(gain) on foreign exchange	590	(1,042)
Operating profit before working capital changes	31,079	47,144
Increase in inventories	(13,502)	(19,426)
Increase in receivables	(9,847)	(12,378)
(Decrease)/Increase in payables	(11,901)	9,693
Cash (used in)/generated from operations	(4,171)	25,033
Tax refunded	2,049	-
Tax paid	(5,827)	(3,720)
Net cash (used in)/generated from operating activities	(7,949)	21,313
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1	391
Purchases of property, plant and equipment	(18,157)	(20,792)
Withdrawal/(Placement) of deposits placed with licensed banks	15,000	(11,500)
Dividend received	49	45
Interest received	1,104	1,226
Net cash used in investing activities	(2,003)	(30,630)

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 30 April 2018**

	<b>Period ended 30 April 2018 RM'000</b>	<b>Period ended 30 April 2017 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(6,212)	(4,970)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	44,422	13,930
- Term loan	(5,000)	(5,000)
- Revolving credit	(10,000)	-
Interest paid	(4,391)	(4,077)
	<u>18,819</u>	<u>(117)</u>
Net cash generated from/(used in) financing activities	<u>18,819</u>	<u>(117)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,867</b>	<b>(9,434)</b>
Effect of exchange rate changes on cash and cash equivalents	(463)	1,111
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>14,212</b>	<b>22,535</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>22,616</u></b>	<b><u>14,212</u></b>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>		
Deposits with licensed banks	24,720	38,332
Cash and bank balances	12,576	6,583
Bank overdrafts	(170)	(1,193)
	<u>37,126</u>	<u>43,722</u>
Less: Deposits with maturity periods of more than three months	(14,510)	(29,510)
	<u>22,616</u>	<u>14,212</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017)

**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 financial year ended 30 April 2017. 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 financial year ended 30 April 2017.

**A2 Significant accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 April 2017 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 January 2017**

Amendments to MFRS 107: Disclosure Initiative  
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses  
Annual Improvements to MFRS Standards 2014 – 2016 Cycle

**(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 2018**

MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014)  
MFRS 15: Revenue from Contracts with Customers  
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration  
Amendments to MFRS 15: Effective Date of MFRS 15

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**A2 Significant accounting policies (continued)**

**(b) MFRSs (Including the Consequential Amendments) issued but not yet effective (continued)**

**(i) Effective for the financial periods beginning on or after 1 January 2018 (continued)**

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts Customers’

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 140: Transfer of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycle

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

MFRS 16: Leases

IC Interpretation 23: Uncertainty over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycle

**(iii) Effective for the financial periods beginning on or after 1 January 2020**

Amendments to MFRS 2: Share-based Payment

Amendments to MFRS 3: Business Combinations

Amendments to MFRS 14: Regulatory Deferral Accounts

Amendments to MFRS 101: Presentation of Financial Statements

Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134: Interim Financial Reporting

Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets

Amendments to MFRS 138: Intangible Assets

Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Amendments to IC Interpretation 132: Intangible Assets – Web Site Costs

**(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 30 April 2018**

**A3 Qualification of financial statements**

There was no qualification in the audited financial statements for the financial year ended 30 April 2017.

**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 single-tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 30 April 2017 amounting to RM6,212,158 was paid on 20 October 2017.

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

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

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

	Current quarter ended		Cumulative period ended	
	30 April		30 April	
	2018	2017	2018	2017
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,693)	(4,522)	(18,431)	(17,895)
Dividend income from quoted share in Malaysia	-	-	49	45
Bad debts (written off)/ recovery	-	-	(5)	3
Fair value adjustments on:				
- derivatives	115	(167)	248	976
- other investment	(248)	(16)	(518)	622
(Loss)/Gain on disposal of property, plant and equipment	(7)	46	(6)	52
Property, plant and equipment written off	(239)	(1,571)	(4,059)	(4,166)
Impairment losses on:				
- property, plant and equipment	-	(648)	-	(1,282)
- receivables	(117)	(1,315)	(121)	(2,579)
Reversal of impairment losses on:				
- property, plant and equipment	-	111	1,508	332
- receivables	124	(727)	1,687	4,263
Inventories written off	(21)	(22)	(141)	(169)
Write back of inventories	40	53	221	53
Inventories written down	-	(96)	-	(96)
Interest income	304	374	1,104	1,226
Interest expense	(1,216)	(1,023)	(4,391)	(4,077)
Foreign exchange gain/(loss), net				
- realised	(428)	(124)	(626)	(1,466)
- unrealised	116	71	(590)	1,042

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**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's geographical segments are based on the location of the businesses, i.e. Malaysia and Singapore.

	<b>Malaysia</b>	<b>Singapore</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External customers:				
- Local	359,088	-	-	359,088
- Export	104,839	45,863	-	150,702
Inter-segment	57,329	-	(57,329)	-
Total revenue	521,256	45,863	(57,329)	509,790
Segment result	11,588	437		12,025
Finance costs				(4,391)
Taxation				(1,537)
Profit after taxation				6,097
<b>Other information</b>				
Segment assets	489,758	12,107		501,865
Current tax assets				1,386
Deferred tax assets				7
Consolidated total assets				503,258
Segment liabilities	184,939	1,680		186,619
Current tax liabilities				284
Deferred tax liabilities				22,434
Consolidated total liabilities				209,337

Inter-segment pricing is determined on an arm's length basis under terms, conditions and prices not materially different from transactions with unrelated parties.

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**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.

**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.

<b>Outstanding as at :</b>	<b>Company</b>	
	<b>30 April 2018</b>	<b>30 April 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees in respect of banking facilities utilised by a subsidiary	2,772	3,050

The Company has provided corporate guarantees for banking facilities granted to four of its wholly-owned subsidiaries totaling RM14.1 million (30.4.2017: 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 (30.4.2017: RM2.0 million).

**A14 Capital commitments**

	<b>Group</b>	
	<b>30 April 2018</b>	<b>30 April 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>		
Contracted but not provided for	1,338	1,104
Authorised but not contracted for	27,557	27,003

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**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 and financial period to date are as follows:

Transaction parties and transaction details	Current quarter ended 30 April		Cumulative period ended 30 April	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	29,583	27,646	114,930	95,440
HongLee Group (M) Sdn Bhd*				
- Sales of aluminium extrusions profile	-	-	-	1,299
- Purchase of accessories	-	-	-	43
Ritecorp Sdn Bhd - Rental of premises	15	15	60	60
	29,598	27,661	114,990	96,842

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

\*HongLee Group (M) Sdn Bhd ceased to be related party on 2 February 2017.

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**B Additional information required by the Bursa Securities' Listing Requirements**

**B1 Review of performance**

	Current quarter ended 30 April		+ / (-)	Cumulative period ended 30 April		+ / (-)
	2018	2017		2018	2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Malaysia	88,926	94,247	(5.6)	359,088	352,255	1.9
- Overseas	32,988	30,290	8.9	150,702	113,721	32.5
Total Revenue	121,914	124,537	(2.1)	509,790	465,976	9.4
Profit From Operations	586	6,027	(90.3)	8,084	19,828	(59.2)
Other Operating Income	784	835	(6.1)	3,941	9,743	(59.6)
Finances Costs	(1,216)	(1,023)	18.9	(4,391)	(4,077)	7.7
Profit Before Taxation	154	5,839	(97.4)	7,634	25,494	(70.1)
Taxation	(546)	(4,457)	(87.7)	(1,537)	(7,541)	(79.6)
(Loss)/Profit After Taxation	(392)	1,382	(128.4)	6,097	17,953	(66.0)

For the current quarter

The Group's revenue for the current quarter ended 30 April 2018 decreased by 2.1% to RM121.91 million compared to RM124.54 million for the preceding year correspondence quarter due mainly to lower business volume but mitigated by higher average selling prices. The revenue from export business increased by 8.9% to RM32.99 million, contributed by better performance in Canada, Australia and China.

However, the Group's profit from operations decreased by 90.3% from RM6.03 million to RM0.59 million due mainly to reduced margins resulting from depressed export returns owing to the strengthening of Malaysian Ringgit and higher raw material input costs.

The Group's other operating income reduced by 6.1% from RM0.84 million to RM0.78 million as compared to last year corresponding quarter due mainly to lower interest income and lower gain on disposal of property, plant and equipment.

In line with the above, the Group's profit before taxation and profit after taxation for the current quarter were lower by 97.4% and 128.4% respectively compared to the preceding year corresponding quarter.

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**B1 Review of performance (continued)**

For the cumulative period

For the financial year ended 30 April 2018, the Group registered revenue of RM509.79 million, representing an increase of 9.4% compared to the preceding year. The improvement was attributed mainly to higher average selling prices as well as marginally higher business volume. Meanwhile, the increase in revenue from export business of 32.5% was contributed mainly by higher sales reported in Canada, Australia and Singapore.

Despite the increase in revenue, the Group's profit from operations decreased by 59.2% from RM19.83 million to RM8.08 million resulting mainly from reduced margins, especially for the export business.

Other operating income also decreased by 59.6% from RM9.74 million to RM3.94 million, due mainly to lower amount of reversal of impairment loss on receivables and lower foreign exchange gain as compared to the previous year.

In line with the above, the Group's profit before taxation and profit after taxation for the current financial year were lower by 70.1% and 66.0% respectively compared to the preceding year.

**B2 Variance of results against preceding quarter**

	<b>Current quarter</b>	<b>Preceding quarter</b>	<b>Increase/(Decrease)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue				
- Malaysia	88,926	95,557	(6,631)	(6.9)
- Overseas	32,988	40,959	(7,971)	(19.5)
Total Revenue	121,914	136,516	(14,602)	(10.7)
Profit From Operations	586	1,700	(1,114)	(65.5)
Other Operating Income	784	448	336	75.0
Finances Costs	(1,216)	(1,037)	(179)	17.3
Profit Before Taxation	154	1,111	(957)	(86.1)
Taxation	(546)	108	(654)	(605.6)
(Loss)/Profit After Taxation	(392)	1,219	(1,611)	(132.2)

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**B2 Variance of results against preceding quarter (continued)**

The Group's revenue for the current quarter ended 30 April 2018 was lower by 10.7% at RM121.91 million compared to the preceding quarter. The decrease in revenue was due mainly to lower business volume recorded in the current quarter.

Profit from operations decreased by 65.5% from RM1.70 million to RM0.59 million due mainly to lower business volume.

Other operating income for the current quarter increased by 75.0% from RM0.45 million to RM0.78 million due mainly to higher gain on fair value of financial derivatives coupled with higher interest income.

In line with the lower profit from operations, the Group's profit before taxation and profit after taxation were lower by 86.1% and 132.2% respectively.

**B3 Current year prospects**

The global economy continued to expand further in the first quarter of 2018 with strong growth reported for both the advanced and emerging market economies, supported mainly by private consumption. For emerging market in Asia, the economy growth was driven by strong export activities benefited from robust global demand. Going forward, the global economy is expected to expand at a faster pace in 2018 underpinned by growth in both advanced and emerging market economies. However, the outlook of the global economy is subject to downside risks including the escalating of trade protectionism in United States, political uncertainties in Europe, geopolitical tensions in Middle East and volatility in oil prices and metal prices.

On the domestic front, the Malaysian economy expanded further in the first quarter of 2018 by a slower pace at 5.4% compared to the preceding quarter. The growth in the current quarter was supported mainly by private sector consumption and export activities. The outlook of Malaysian economy in 2018 remains favorable with domestic demand expected to be the primary growth driver.

The Malaysian Ringgit was the best performer in the region during the first quarter 2018 and is expected to continue to stay firm vis-a-vis the US Dollar which has adversely impacted our export margins given that our export are priced in US Dollar and that we have increased our export revenue by 32.5% compared to last year. We will continue to focus on increasing our selling prices with export customers so as to maintain our margins. As usual, we are continuously looking into our processes to improve efficiency and reduce operational costs to ensure our margins are reasonably protected.

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**B3 Current year prospects (continued)**

Barring unforeseen circumstances, the Board is optimistic that the Group will remain profitable for the forthcoming quarter.

**B4 Profit forecast**

Not applicable as no profit forecast was published.

**B5 Taxation**

	Current quarter ended 30 April		Cumulative period ended 30 April	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	(989)	(574)	698	1,945
Deferred tax expenses	1,535	5,031	839	5,596
	546	4,457	1,537	7,541

The Group's effective tax rate for the quarter under review was higher than the statutory tax rate due mainly to increase in deferred tax liability, whereas the Group's effective tax rate for the financial period to date was lower than the statutory tax rate due mainly to utilisation of reinvestment allowances arising from qualifying capital expenditures.

**B6 Status of corporate proposals announced**

On 25 April 2018, the Company announced that its wholly-owned subsidiary, Albe Metal Sdn Bhd ("Albe Metal"), has entered into the following agreements:-

- (i) Sale and Purchase Agreement for the acquisition of a parcel of freehold industrial land together with all those industrial buildings and structures erected thereon within Lot 755 Jalan Subang 3, Sungai Penaga Industrial Park, 47610 Subang Jaya, Selangor (the "Property") from Facade Treatment Engineering Sdn Bhd ("Facade") for a total cash consideration of RM25.0 million; and
- (ii) Tenancy Agreement for the rent of the Property by Albe Metal to Facade.

The acquisition of the Property is still pending completion as at the date of this report and the Tenancy Agreement shall take effect upon the completion of the acquisition.

Other than the above, there is no corporate proposal announced that is not completed as at the date of this report.

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**B7 Borrowings and debt securities**

	<b>30 April 2018</b>	<b>30 April 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings (unsecured)</b>		
Bankers' acceptances	114,872	70,450
Revolving credit	-	10,000
Bank overdrafts	170	1,193
Term loans	5,000	5,000
	<b>120,042</b>	<b>86,643</b>
<b>Long term borrowings (unsecured)</b>		
Term loans	5,000	10,000
<b>Total Borrowings</b>	<b>125,042</b>	<b>96,643</b>

All borrowings are denominated in Malaysian Ringgit.

**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 dividend of 1.00 sen per ordinary share (2017: 2.50 sen per ordinary share) amounting to RM2,484,863 (2017: RM6,212,158) in respect of the Company's current financial year ended 30 April 2018.

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.

**LB ALUMINIUM BERHAD (138535-V)**  
**Notes To The Financial Statements**  
**For the financial period ended 30 April 2018**

**B 10 Earnings per share**

	<b>Current quarter</b>	<b>Cumulative period</b>
Net (loss)/profit for the period attributable to ordinary shareholders (RM'000)	(392)	6,097
<b><i>Basic earnings per share</i></b>		
<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)	(0.16)	2.45

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: 28 June 2018