

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 31 October 2018

	As at 31 October 2018 RM'000	As at 30 April 2018 RM'000 (Restated)
ASSETS		
Non-current assets		
Investment property	24,975	-
Property, plant and equipment	218,874	223,113
Investment in an associate	5,997	-
Other investments	1,155	1,103
Deferred tax assets	36	22
	<u>251,037</u>	<u>224,238</u>
Current assets		
Property development expenditure	20,276	-
Inventories	97,355	109,618
Trade receivables	121,097	116,471
Other receivables	11,616	13,035
Derivative financial asset	6	70
Current tax assets	320	1,386
Short term deposits	19,800	24,720
Cash and bank balances	13,529	12,576
	<u>283,999</u>	<u>277,876</u>
TOTAL ASSETS	<u>535,036</u>	<u>502,114</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,361	4,189
Retained earnings	165,083	163,072
Equity attributable to owners of the Company	<u>295,215</u>	<u>293,032</u>
Non-controlling interests	1,493	-
Total equity	<u>296,708</u>	<u>293,032</u>
Non-current liabilities		
Bank borrowings (unsecured)	2,500	5,000
Deferred tax liabilities	21,053	22,179
	<u>23,553</u>	<u>27,179</u>
Current liabilities		
Trade payables	28,667	37,779
Other payables	32,356	23,798
Bank borrowings (unsecured)	153,439	120,042
Current tax liabilities	313	284
	<u>214,775</u>	<u>181,903</u>
TOTAL LIABILITIES	<u>238,328</u>	<u>209,082</u>
TOTAL EQUITY AND LIABILITIES	<u>535,036</u>	<u>502,114</u>
	RM	RM
Net assets per share	<u>1.19</u>	<u>1.18</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 2018)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income
For the financial period ended 31 October 2018

	Current quarter ended		Cumulative period ended	
	31 October 2018 RM'000	31 October 2017 RM'000	31 October 2018 RM'000	31 October 2017 RM'000
Revenue	143,288	126,935	278,942	251,360
Operating expenses	(138,669)	(125,312)	(270,773)	(245,397)
Profit from operations	4,619	1,623	8,169	5,963
Other operating income	1,102	1,692	2,136	2,543
Profit before interest and tax	5,721	3,315	10,305	8,506
Finance costs	(1,655)	(1,008)	(3,011)	(2,138)
Share of results of an associate	(41)	-	(41)	-
Profit before taxation	4,025	2,307	7,253	6,368
Taxation	(1,239)	(636)	(1,797)	(1,100)
Net profit for the year	2,786	1,671	5,456	5,268
Other comprehensive income				
- Foreign currency translations	88	(161)	172	-
Total comprehensive income for the period, net of tax	2,874	1,510	5,628	5,268
Net profit for the year attributable to:				
- Owners of the Company	2,831	1,671	5,501	5,268
- Non-controlling interests	(45)	-	(45)	-
Net profit for the year	2,786	1,671	5,456	5,268
Total comprehensive income/ (expenses) attributable to:				
- Owners of the Company	2,919	1,510	5,673	5,268
- Non-controlling interests	(45)	-	(45)	-
Total comprehensive income/ (expenses) for the year	2,874	1,510	5,628	5,268
Basic earnings per share attributable to owners of the Company (sen)				
- Basic / Diluted	1.14	0.67	2.21	2.12

(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 2018)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 October 2018

	Share capital	Exchange reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2017	125,771	4,710	164,076	294,557	-	294,557
Total comprehensive income for the period	-	-	5,268	5,268	-	5,268
Dividend paid	-	-	(6,212)	(6,212)	-	(6,212)
Balance as at 31 October 2017	<u>125,771</u>	<u>4,710</u>	<u>163,132</u>	<u>293,613</u>	<u>-</u>	<u>293,613</u>
Balance as at 1 May 2018 (as previously stated)	125,771	4,189	163,961	293,921	-	293,921
Adjustments arising from adoption of MFRS 9	-	-	(889)	(889)	-	(889)
Balance as at 1 May 2018 (restated)	<u>125,771</u>	<u>4,189</u>	<u>163,072</u>	<u>293,032</u>	<u>-</u>	<u>293,032</u>
Total comprehensive income for the period	-	172	5,501	5,673	(45)	5,628
Dividend paid	-	-	(2,485)	(2,485)	-	(2,485)
Acquisition of subsidiaries	-	-	(1,005)	(1,005)	1,538	533
Balance as at 31 October 2018	<u>125,771</u>	<u>4,361</u>	<u>165,083</u>	<u>295,215</u>	<u>1,493</u>	<u>296,708</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2018)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2018

	Period ended 31 October 2018 RM'000	Period ended 31 October 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,253	6,368
Adjustments for		
Depreciation of property, plant and equipment	9,425	9,114
Depreciation of investment property	25	-
Bad debts written off	-	5
Fair value adjustments on:		
- Derivatives	64	(171)
- Other investment	(53)	(45)
Gain on disposal of property, plant and equipment	-	(1)
Property, plant and equipment written off	1,555	2,759
Impairment losses on receivables	768	4
Reversal of impairment losses on:		
- Property, plant and equipment	-	(1,508)
- Receivables	(95)	(1,462)
Inventories written off	97	95
Reversal of inventories written down	(40)	(166)
Interest income	(517)	(608)
Interest expense	3,011	2,138
Unrealised (gain)/loss on foreign exchange	(295)	102
Share of results of an associate	41	-
	<hr/>	<hr/>
Operating profit before working capital changes	21,239	16,624
Changes in property development expenditure	(20,276)	-
Changes in inventories	12,207	7,312
Changes in receivables	(3,676)	(2,549)
Changes in payables	11	(8,984)
	<hr/>	<hr/>
Cash generated from operations	9,505	12,403
Tax refunded	2,611	-
Tax paid	(4,454)	(1,145)
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Net cash generated from operating activities	<u>7,662</u>	<u>11,258</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	1
Purchases of property, plant and equipment	(6,711)	(8,195)
Purchase of investment property	(25,000)	-
Withdrawal of deposits placed with licensed banks	14,510	15,000
Investment in an associate	(6,039)	-
Interest received	517	608
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Net cash (used in)/generated from investing activities	<u>(22,723)</u>	<u>7,414</u>

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2018

	Period ended 31 October 2018 RM'000	Period ended 31 October 2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,485)	(6,212)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	13,518	11,730
- Term loan	(2,500)	(2,500)
- Revolving credit	20,000	(10,000)
Interest paid	(3,011)	(2,138)
Net cash generated from/(used in) financing activities	<u>25,522</u>	<u>(9,120)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,461	9,552
Effect of exchange rate changes on cash and cash equivalents	203	47
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	22,616	14,212
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>33,280</u>	<u>23,811</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed banks	19,800	18,720
Cash and bank balances	13,529	19,601
Bank overdrafts	(49)	-
	<u>33,280</u>	<u>38,321</u>
Less: Deposits with maturity periods of more than three months	-	(14,510)
	<u>33,280</u>	<u>23,811</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 2018)

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 2018. 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 2018.

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 2018 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 except for the adoption of MFRS 9.

(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

Clarifications to MFRS 15

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

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

Amendments to MFRS 140 Transfers of Investment Property

Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 – 2016 Cycle

Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 – 2016 Cycle

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 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

Amendments to MFRS 3 Annual Improvements to MFRS Standards 2015 – 2017 Cycle

Amendments to MFRS 11 Annual Improvements to MFRS Standards 2015 – 2017 Cycle

Amendments to MFRS 112 Annual Improvements to MFRS Standards 2015 – 2017 Cycle

Amendments to MFRS 123 Annual Improvements to MFRS Standards 2015 – 2017 Cycle

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

Amendments to References to the Conceptual Framework in MFRS Standards

(iii) Effective for the financial periods beginning on or after 1 January 2021

MFRS 17: Insurance Contracts

(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

The Group will adopt the above MFRSs (including the consequential amendments) when they become effective in the respective financial periods. The adoptions of these new accounting standards are not expected to have any material effect to the financial statements of the Group upon the initial application.

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A2 Significant accounting policies (continued)

(c) Financial impact for adoption of MFRS 9

The financial effects arising from the initial adoption of MFRS 9 are as follows:-

	As previously stated as at <u>1 May 2018</u> RM'000	Effects of adoption of <u>MFRS 9</u> RM'000	Restated as at <u>1 May 2018</u> RM'000
Condensed Consolidated Statement of Financial Position			
Non-current Assets			
Deferred tax assets	7	15	22
Current Assets			
Trade receivables	117,630	(1,159)	116,471
Non-current Liabilities			
Deferred tax liabilities	22,434	(255)	22,179
Equity attributable to ordinary shareholders			
Retained earnings	163,961	(889)	163,072

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2018.

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.

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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 1.00 sen per ordinary share in respect of the financial year ended 30 April 2018 amounting to RM2,484,863 was paid on 19 October 2018.

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

	Current quarter ended 31 October		Cumulative period ended 31 October	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income/(expense):				
Depreciation of property, plant and equipment	(4,705)	(4,572)	(9,425)	(9,114)
Depreciation of investment property	(25)	-	(25)	-
Bad debts written off	-	(5)	-	(5)
Fair value adjustments on:				
- derivatives	2	(8)	(64)	171
- other investment	61	15	53	45
Gain on disposal of property, plant and equipment	-	-	-	1
Property, plant and equipment written off	(943)	(654)	(1,555)	(2,759)
Impairment losses on receivables	(500)	-	(768)	(4)
Reversal of impairment losses on:				
- property, plant and equipment	-	-	-	1,508
- receivables	27	1,254	95	1,462
Inventories written off	(33)	(53)	(97)	(95)
Reversal of inventories written down	27	95	40	166
Interest income	226	271	517	608
Interest expense	(1,655)	(1,008)	(3,011)	(2,138)
Foreign exchange gain/(loss), net				
- realised	291	(157)	627	(208)
- unrealised	28	95	295	(102)

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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. The Group's newly acquired property development business is not significant to be separately reported.

ii. Geographical segments

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

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External customers:				
- Local	182,675	-	-	182,675
- Export	76,247	20,020	-	96,267
Inter-segment	28,729	-	(28,729)	-
Total revenue	287,651	20,020	(28,729)	278,942
Segment result	10,344	(39)		10,305
Finance costs				(3,011)
Share of results of an associate				(41)
Taxation				(1,797)
Profit after taxation				5,456
Other information				
Segment assets	516,926	11,757		528,683
Investment in an associate				5,997
Current tax assets				320
Deferred tax assets				36
Consolidated total assets				535,036
Segment liabilities	215,339	1,623		216,962
Current tax liabilities				313
Deferred tax liabilities				21,053
Consolidated total liabilities				238,328

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

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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

- (a) The Company has on 18 September 2018 incorporated a wholly-owned subsidiary, Facade Performance Lab Sdn Bhd, with issued share capital of RM2 comprising 2 ordinary shares.
- (b) The Company has on 5 October 2018 subscribed for 51,000 new ordinary shares representing 51% of equity interest in Citajaya Kuasa Sdn Bhd (“Citajaya”) for a cash consideration of RM51,000 only. Following the completion of the subscription on 5 October 2018, Citajaya became a 51%-owned subsidiary of the Company.
- (c) Citajaya has on 5 October 2018 subscribed for 2,000,000 new ordinary shares representing 80% equity interest in Contras Build Sdn Bhd (“Contras”) for a cash consideration of RM2,000,000 only. Following the completion of the subscription on 5 October 2018, Contras became a 80%-owned subsidiary of Citajaya and a sub-subsiary of the Company.

The above (a), (b) and (c) are not expected to have any material impact to the financial statements of the Group for the financial year ending 30 April 2019.

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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.

	Company	
	31 October 2018	30 April 2018
	RM'000	RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiary - unsecured		
-Limit of guarantee	14,100	14,100
-Amount utilized	3,890	2,772
Corporate guarantees given to third parties for suppliers of goods and services to a subsidiary - unsecured		
-Limit of guarantee	2,000	2,000
-Amount utilized	-	17

A14 Capital commitments

	Group	
	31 October 2018	30 April 2018
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	4,801	25,588
Authorised but not contracted for	22,078	27,557

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Notes To The Financial Statements
For the financial period ended 31 October 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 31 October		Cumulative period ended 31 October	
	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	30,017	26,396	60,145	49,992
Ritecorp Sdn Bhd - Rental of premises	15	15	30	30
	30,032	26,411	60,175	50,022

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 31 October 2018

B Additional information required by the Bursa Securities' Listing Requirements

B1 Review of performance

	Current quarter ended 31 October		+ / (-)	Cumulative period ended 31 October		+ / (-)
	2018	2017		2018	2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Malaysia	96,523	88,019	9.7	182,675	174,605	4.6
- Overseas	46,765	38,916	20.2	96,267	76,755	25.4
Total Revenue	143,288	126,935	12.9	278,942	251,360	11.0
Profit From Operations	4,619	1,623	184.6	8,169	5,963	37.0
Other Operating Income	1,102	1,692	(34.9)	2,136	2,543	(16.0)
Finances Costs	(1,655)	(1,008)	64.2	(3,011)	(2,138)	40.8
Share of results of an associate	(41)	-	N/A	(41)	-	N/A
Profit Before Taxation	4,025	2,307	74.5	7,253	6,368	13.9
Taxation	(1,239)	(636)	94.8	(1,797)	(1,100)	63.4
Profit After Taxation	2,786	1,671	66.7	5,456	5,268	3.6

For the quarter

The Group's revenue for the current quarter ended 31 October 2018 increased by 12.9% to RM143.29 million compared to RM126.94 million for the preceding year corresponding quarter, due mainly to higher sales volume and average selling price. The revenue from exports increased by 20.2% to RM46.77 million mainly contributed by higher revenue from Canada, Australia and the United States.

The Group's profit from operations increased significantly by 184.6% from RM1.62 million to RM4.62 million in the current quarter under review due mainly to higher sales volume coupled with better margins.

The Group's other operating income reduced by 34.9% from RM1.69 million to RM1.10 million as compared to last year corresponding quarter due mainly to lower reversal of impairment loss on receivables reported in the current quarter under review.

The Group's profit before taxation and profit after taxation for the current quarter were higher by 74.5% and 66.7% respectively compared to the preceding year corresponding quarter in line with the above.

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B1 Review of performance (continued)

For the 6-month period

For the cumulative 6-month period ended 31 October 2018, the Group recorded revenue of RM278.94 million, increased by 11.0% compared to the preceding year corresponding period. The better performance was mainly attributed to higher sales volume and average selling price. The revenue from overseas increased by 25.4% to RM96.27 million mainly contributed by higher sales reported from Canada, Australia and China.

The Group's profit from operations for the 6-month period increased by 37.0% from RM5.96 million to RM8.17 million due mainly to the increase in revenue and improved margins.

Other operating income decreased by 16.0% from RM2.54 million to RM2.14 million, due mainly to lower reversal of impairment losses on property, plant and equipment and receivables mitigated by higher foreign exchange gain in the current year period.

Despite the increase in finance costs, the Group's profit before taxation and profit after taxation for the cumulative 6-month period were higher by 13.9% and 3.6% respectively compared to the preceding year corresponding period.

B2 Variance of results against preceding quarter

	Current quarter	Preceding quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	96,523	86,152	10,371	12.0
- Overseas	46,765	49,502	(2,737)	(5.5)
Total Revenue	143,288	135,654	7,634	5.6
Profit From Operations	4,619	3,550	1,069	30.1
Other Operating Income	1,102	1,034	68	6.6
Finances Costs	(1,655)	(1,356)	(299)	22.1
Share of results of an associate	(41)	-	(41)	N/A
Profit Before Taxation	4,025	3,228	797	24.7
Taxation	(1,239)	(558)	(681)	122.0
Profit After Taxation	2,786	2,670	116	4.3

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B2 Variance of results against preceding quarter (continued)

The Group recorded revenue of RM143.29 million in the current quarter, higher by 5.6% or RM7.63 million compared to RM135.65 million of last quarter. The increase in revenue was due mainly to higher business volume and average selling price.

Profit from operations increased by 30.1% or RM1.07 million from RM3.55 million to RM4.62 million due mainly to higher sales volume and better margins.

Other operating income for the current quarter stood at RM1.10 million, 6.6% higher than RM1.03 million of the preceding quarter due mainly to rental income from investment property acquired during the current quarter.

In line with the above, the Group's profit before taxation and profit after taxation increased by 24.7% and 4.3% respectively in the current quarter.

B3 Current year prospects

The global economy continued to expand in the third quarter of 2018 at a moderate pace. In the advanced economies, both the US and UK recorded higher GDP growth whereas other developed countries reported slower growths. Meanwhile, Asian economies recorded a moderate growth in the current quarter. Moving forward, the global economy is expected to grow at the same pace with the support of private consumption in the advanced economies. Escalating trade conflicts among major economies and monetary policy normalisation in the advanced economies are the major downside risks to the global outlook.

On the domestic front, the Malaysian economy continued its downtrend in the third quarter with a 4.4% growth as compared to the 4.5% growth in the previous quarter. Private sector expenditure continued to be the main contributor to the growth in the current quarter. For the remaining of 2018, the Malaysian economy is expected to expand on a firm and stable pace with private sector consumption remains the key driver of growth.

The recent weakening of the Malaysian Ringgit against the United States Dollar ("USD") is in favor of the Group as our exports are priced in USD. The strengthening of the USD coupled with the stabilising of the aluminium prices are expected to boost the Group's revenue and bottom line for the remaining of the year. As usual, we are continuously looking into our processes to improve efficiency and reduce operational costs to ensure our margins are reasonably protected.

The Group's property development business is at its preliminary stage and we expect the new business to contribute positively to the Group's profit in the near future.

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

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B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Taxation

	Current quarter ended 31 October		Cumulative period ended 31 October	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	1,517	1,013	2,939	1,872
Deferred tax expenses	(278)	(377)	(1,142)	(772)
	1,239	636	1,797	1,100

The Group's effective tax rate for the quarter under review and financial period to date were higher than the statutory tax rate due mainly to the non-deductibility of certain expenses in the current quarter and financial period.

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 was completed on 15 August 2018 and the Tenancy Agreement has commenced from 16 August 2018.

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

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B7 Borrowings and debt securities

	31 October 2018	30 April 2018
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers' acceptances	128,390	114,872
Revolving credit	20,000	-
Bank overdrafts	49	170
Term loans	5,000	5,000
	153,439	120,042
Long term borrowings (unsecured)		
Term loans	2,500	5,000
Total Borrowings	155,939	125,042

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 do not recommended the payment of any interim dividend in respect of the current quarter under review and financial period to date.

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B 10 Earnings per share

	Current quarter	Cumulative period
Net profit for the period attributable to ordinary shareholders (RM'000)	2,831	5,501
<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)	1.14	2.21

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: 11 December 2018