

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 January 2019**

	As at 31 January 2019 RM'000	As at 30 April 2018 RM'000 (Restated)
<b>ASSETS</b>		
Non-current assets		
Investment property	24,945	-
Property, plant and equipment	217,511	223,113
Investment in an associate	6,689	-
Other investments	1,113	1,103
Deferred tax assets	31	22
	<u>250,289</u>	<u>224,238</u>
Current assets		
Property development expenditure	20,276	-
Inventories	96,639	109,618
Trade receivables	111,814	116,471
Other receivables	12,453	13,035
Derivative financial asset	-	70
Current tax assets	493	1,386
Short term deposits	21,239	24,720
Cash and bank balances	22,115	12,576
	<u>285,029</u>	<u>277,876</u>
<b>TOTAL ASSETS</b>	<u><b>535,318</b></u>	<u><b>502,114</b></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,401	4,189
Retained earnings	170,095	163,072
Equity attributable to owners of the Company	<u>300,267</u>	<u>293,032</u>
Non-controlling interests	511	-
Total equity	<u>300,778</u>	<u>293,032</u>
Non-current liabilities		
Bank borrowings (unsecured)	2,500	5,000
Deferred tax liabilities	21,270	22,179
	<u>23,770</u>	<u>27,179</u>
Current liabilities		
Trade payables	31,590	37,779
Other payables	34,017	23,798
Derivative financial liabilities	16	-
Bank borrowings (unsecured)	144,800	120,042
Current tax liabilities	347	284
	<u>210,770</u>	<u>181,903</u>
<b>TOTAL LIABILITIES</b>	<u><b>234,540</b></u>	<u><b>209,082</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>535,318</b></u>	<u><b>502,114</b></u>
	<b>RM</b>	<b>RM</b>
Net assets per share	<u>1.21</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 January 2019**

	Current quarter ended		Cumulative period ended	
	31 January 2019 RM'000	31 January 2018 RM'000	31 January 2019 RM'000	31 January 2018 RM'000
Revenue	140,900	136,516	419,841	387,876
Operating expenses	(135,963)	(133,867)	(405,831)	(378,938)
Profit from operations	4,937	2,649	14,010	8,938
Other operating income	584	432	2,719	2,975
Other operating expenses	375	(933)	(528)	(1,260)
Profit before interest and tax	5,896	2,148	16,201	10,653
Finance costs	(1,683)	(1,037)	(4,694)	(3,175)
Share of results of an associate	691	-	650	-
Profit before taxation	4,904	1,111	12,157	7,478
Taxation	(874)	108	(2,671)	(991)
Net profit for the period	4,030	1,219	9,486	6,487
Other comprehensive income				
- Foreign currency translations	40	(510)	212	(510)
Total comprehensive income for the period, net of tax	4,070	709	9,698	5,977
Net profit for the period attributable to:				
- Owners of the Company	4,032	1,219	9,533	6,487
- Non-controlling interests	(2)	-	(47)	-
Net profit for the period	4,030	1,219	9,486	6,487
Total comprehensive income/ (expenses) attributable to:				
- Owners of the Company	4,072	709	9,745	5,977
- Non-controlling interests	(2)	-	(47)	-
Total comprehensive income/ (expenses) for the period	4,070	709	9,698	5,977
Basic earnings per share attributable to owners of the Company (sen)				
- Basic / Diluted	1.62	0.49	3.84	2.61

(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 January 2019**

	Share capital RM'000	Exchange reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2017	125,771	4,710	164,076	294,557	-	294,557
Total comprehensive income for the period	-	(510)	6,487	5,977	-	5,977
Dividend paid	-	-	(6,212)	(6,212)	-	(6,212)
Balance as at 31 January 2018	<u>125,771</u>	<u>4,200</u>	<u>164,351</u>	<u>294,322</u>	<u>-</u>	<u>294,322</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	-	212	9,533	9,745	(47)	9,698
Dividend paid	-	-	(2,485)	(2,485)	-	(2,485)
Acquisition of subsidiaries	-	-	(25)	(25)	558	533
Balance as at 31 January 2019	<u>125,771</u>	<u>4,401</u>	<u>170,095</u>	<u>300,267</u>	<u>511</u>	<u>300,778</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 January 2019**

	<b>Period ended 31 January 2019 RM'000</b>	<b>Period ended 31 January 2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,157	7,478
Adjustments for		
Depreciation of property, plant and equipment	14,226	13,738
Depreciation of investment property	55	-
Dividend income from quoted shares in Malaysia	(49)	(49)
Bad debts written off	-	5
Fair value adjustments on:		
- Derivatives	86	(133)
- Other investment	(11)	270
Gain on disposal of property, plant and equipment	-	(1)
Property, plant and equipment written off	2,398	3,820
Impairment losses on receivables	369	4
Reversal of impairment losses on:		
- Property, plant and equipment	-	(1,508)
- Receivables	(120)	(1,563)
Inventories written off	119	120
Reversal of inventories written down	(78)	(181)
Interest income	(688)	(800)
Interest expense	4,694	3,175
Unrealised (gain)/loss on foreign exchange	(37)	706
Share of results of an associate, net of tax	(650)	-
Operating profit before working capital changes	32,471	25,081
Changes in property development expenditure	(20,276)	-
Changes in inventories	12,947	5,577
Changes in receivables	4,907	(13,649)
Changes in payables	4,853	(13,820)
Cash generated from operations	34,902	3,189
Tax refunded	123	2,049
Tax paid	(2,758)	(4,274)
Net cash generated from operating activities	32,267	964
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1	1
Purchases of property, plant and equipment	(10,983)	(14,208)
Purchase of investment property	(25,000)	-
Withdrawal of deposits placed with licensed banks	14,510	17,500
Dividend received	49	49
Investment in an associate	(6,039)	-
Interest received	688	800
Net cash (used in)/generated from investing activities	(26,774)	4,142

**LB ALUMINIUM BERHAD (138535-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 31 January 2019**

	<b>Period ended 31 January 2019 RM'000</b>	<b>Period ended 31 January 2018 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,485)	(6,212)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	4,928	33,980
- Term loan	(2,500)	(2,500)
- Revolving credit	20,000	(10,000)
Interest paid	(4,694)	(3,175)
Net cash generated from financing activities	<u>15,249</u>	<u>12,093</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,742</b>	<b>17,199</b>
Effect of exchange rate changes on cash and cash equivalents	(4)	(460)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>22,616</b>	<b>14,212</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>43,354</u></b>	<b><u>30,951</u></b>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>		
Deposits with licensed banks	21,239	25,640
Cash and bank balances	22,115	17,343
Bank overdrafts	-	(22)
	<u>43,354</u>	<u>42,961</u>
Less: Deposits with maturity periods of more than three months	-	(12,010)
	<u>43,354</u>	<u>30,951</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**

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**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

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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 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 MFRS 3: Definition of a Business

Amendments to MFRS 101: Definition of Material

Amendments to MFRS 108: Definition of Material

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:-

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

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

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

	Current quarter ended		Cumulative period ended	
	31 January		31 January	
	2019	2018	2019	2018
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(4,801)	(4,624)	(14,226)	(13,738)
Depreciation of investment property	(30)	-	(55)	-
Dividend income from quoted shares in Malaysia	49	49	49	49
Bad debts written off	-	-	-	(5)
Fair value adjustments on:				
- derivatives	(22)	(38)	(86)	133
- other investment	(42)	(315)	11	(270)
Gain on disposal of property, plant and equipment	-	-	-	1
Property, plant and equipment written off	(843)	(1,061)	(2,398)	(3,820)
Impairment losses on receivables	399	-	(369)	(4)
Reversal of impairment losses on:				
- property, plant and equipment	-	-	-	1,508
- receivables	25	101	120	1,563
Inventories written off	(22)	(25)	(119)	(120)
Reversal of inventories written down	38	15	78	181
Interest income	171	192	688	800
Interest expense	(1,683)	(1,037)	(4,694)	(3,175)
Foreign exchange gain/(loss), net				
- realised	87	10	714	(198)
- unrealised	(258)	(604)	37	(706)

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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.

	<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	272,187	-	-	272,187
- Export	116,028	31,626	-	147,654
Inter-segment	41,576	-	(41,576)	-
Total revenue	429,791	31,626	(41,576)	419,841
Segment result	15,572	629		16,201
Finance costs				(4,694)
Share of results of an associate				650
Taxation				(2,671)
Profit after taxation				9,486
<b>Other information</b>				
Segment assets	515,948	12,157		528,105
Investment in an associate				6,689
Current tax assets				493
Deferred tax assets				31
Consolidated total assets				535,318
Segment liabilities	211,175	1,748		212,923
Current tax liabilities				347
Deferred tax liabilities				21,270
Consolidated total liabilities				234,540

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.

	<b>Company</b>	
	<b>31 January 2019</b>	<b>30 April 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Corporate guarantees given to banks for credit facilities granted to subsidiary - unsecured</b>		
-Limit of guarantee	14,100	14,100
-Amount utilized	3,700	2,772
<b>Corporate guarantees given to third parties for suppliers of goods and services to a subsidiary - unsecured</b>		
-Limit of guarantee	2,000	2,000
-Amount utilized	-	17

**A14 Capital commitments**

	<b>Group</b>	
	<b>31 January 2019</b>	<b>30 April 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>		
Contracted but not provided for	7,291	25,588
Authorised but not contracted for	16,622	27,557

**LB ALUMINIUM BERHAD (138535-V)**  
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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 and financial period to date are as follows:

Transaction parties and transaction details	Current quarter ended 31 January		Cumulative period ended 31 January	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	26,950	35,356	87,095	85,348
Ritecorp Sdn Bhd - Rental of premises	15	15	45	45
	26,965	35,371	87,140	85,393

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**

**B1 Review of performance**

	Current quarter ended 31 January		+ / (-)	Cumulative period ended 31 January		+ / (-)
	2019	2018		2019	2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Malaysia	89,513	95,557	(6.3)	272,187	270,162	0.7
- Overseas	51,387	40,959	25.5	147,654	117,714	25.4
Total Revenue	140,900	136,516	3.2	419,841	387,876	8.2
Profit From Operations	4,937	2,649	86.4	14,010	8,938	56.7
Other Operating Income	584	432	35.2	2,719	2,975	(8.6)
Other Operating Expenses	375	(933)	(140.2)	(528)	(1,260)	(58.1)
Finance Costs	(1,683)	(1,037)	62.3	(4,694)	(3,175)	47.8
Share of results of an associate	691	-	N/A	650	-	N/A
Profit Before Taxation	4,904	1,111	341.4	12,157	7,478	62.6
Taxation	(874)	108	(909.3)	(2,671)	(991)	169.5
Profit After Taxation	4,030	1,219	230.6	9,486	6,487	46.2

For the quarter

The Group's revenue for the current quarter ended 31 January 2019 increased by 3.2% to RM140.90 million compared to RM136.52 million for the preceding year corresponding quarter due mainly to higher average selling prices. The revenue from exports increased by 25.5% to RM51.39 million mainly contributed by better performance in Canada, Australia and United States.

The Group's profit from operations increased by 86.4% from RM2.65 million to RM4.94 million due mainly to better overall margins.

The Group's other operating income increased by 35.2% from RM0.43 million to RM0.58 million as compared to last year corresponding quarter due mainly to rental income recorded in the current quarter under review.

The Group's other operating expenses decreased by 140.2% as compared to last year corresponding quarter due mainly to reversal of impairment losses on receivables coupled with lower unrealised foreign exchange loss recorded in the current quarter under review.

The Group's profit before taxation and profit after taxation for the current quarter increased substantially by 341.4% and 230.6% respectively compared to the preceding year corresponding quarter in line with the above as well as the inclusion of the share of results of an associate.

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**B1 Review of performance (continued)**

For the 9-month period

For the cumulative 9-month period ended 31 January 2019, the Group recorded revenue of RM419.84 million, increased by 8.2% compared to the preceding year corresponding period. The better performance was mainly attributed to both higher sales volume and average selling price. The revenue from overseas increased by 25.4% to RM147.65 million mainly contributed by higher sales reported in Canada, Australia and United States.

The Group's profit from operations for the 9-month period increased by 56.7% from RM8.94 million to RM14.01 million due mainly to the increase in revenue and improved margins.

Other operating income decreased by 8.6% from RM2.98 million to RM2.72 million. The decrease was due mainly to lower reversal of impairment losses on property, plant and equipment and receivables mitigated by foreign exchange gain and rental income in the current period.

Other operating expenses decreased by 58.1% from RM1.26 million to RM0.53 million as compared to last year corresponding period. The decrease was due mainly to foreign exchange loss recorded in the preceding year corresponding period.

The Group's profit before taxation and profit after taxation for the cumulative 9-month period were higher by 62.6% and 46.2% respectively compared to the preceding year corresponding period.

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**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	89,513	96,523	(7,010)	(7.3)
- Overseas	51,387	46,765	4,622	9.9
Total Revenue	140,900	143,288	(2,388)	(1.7)
Profit From Operations	4,937	5,180	(243)	(4.7)
Other Operating Income	584	1,102	(518)	(47.0)
Other Operating Expenses	375	(561)	936	(166.8)
Finance Costs	(1,683)	(1,655)	(28)	1.7
Share of results of an associate	691	(41)	732	(1,785.4)
Profit Before Taxation	4,904	4,025	879	21.8
Taxation	(874)	(1,239)	365	(29.5)
Profit After Taxation	4,030	2,786	1,244	44.7

The Group recorded revenue of RM140.90 million in the current quarter, lower by 1.7% or RM2.39 million compared to RM143.29 million of last quarter. The marginal decrease in revenue was due mainly to lower average selling prices.

Profit from operations decreased by 4.7% or RM0.24 million from RM5.18 million to RM4.94 million in line with the decrease in revenue.

Other operating income for the current quarter stood at RM0.58 million, 47.0% lower than RM1.10 million of the preceding quarter due mainly to decrease in foreign exchange gain.

Other operating expenses for the current quarter decreased by 166.8% due mainly to reversal of impairment losses on receivables recorded in the current quarter.

The Group's profit before taxation and profit after taxation increased by 21.8% and 44.7% respectively in the current quarter due mainly to the inclusion of the share of results of an associate.

**B3 Current year prospects**

The global economy continued to grow in the fourth quarter of 2018 with major economies recorded more moderate growth, with the exception of United States which recorded higher growth. In the advanced economies, private consumption was supported by continuous improvements in labour markets and remained a key growth driver. Meanwhile, most of the major Asian economies including China, Singapore and Chinese Taipei recorded slower growth in the fourth quarter of 2018. Moving forward, the global economy is expected to expand at a more moderate pace in 2019 but with higher downside risk. Prolong trade tensions among major economies, increase volatility in financial markets, political and policy uncertainties as well as geopolitical unease are the main downside risks to the global outlook.

On the home front, the Malaysian economy grew by 4.7% in the fourth quarter of 2018 with private sector consumption as the main growth driver. Moving forward, the Malaysian economy is expected to expand on a steady pace with the support of private sector consumption.

While the Group is benefiting from the stabilisation of aluminium prices, the continuous weakening of United States Dollar against the Malaysian Ringgit is expected to affect our export competitiveness and hence dampen our total revenue. Meanwhile, the building and construction industry of which the Group is generating a substantial portion of its revenue has remained subdued thus hindering revenue growth. The Group is continuing its effort to diversify its customers base in order to expand its revenue from different sectors of the economy.

The Group's property development business has contributed positively to the Group's profit and is expected to continue its performance in the coming quarters.

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.

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**B5 Taxation**

	Current quarter ended 31 January		Cumulative period ended 31 January	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	651	(185)	3,590	1,687
Deferred tax expenses	223	77	(919)	(696)
	874	(108)	2,671	991

The Group's effective tax rate for the quarter under review and financial period to date were lower than the statutory tax rate due mainly to the reversal of excess tax expense provided for in Year of Assessment 2018.

**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 January 2019	30 April 2018
	RM'000	RM'000
<b>Short term borrowings (unsecured)</b>		
Bankers' acceptances	119,800	114,872
Revolving credit	20,000	-
Bank overdrafts	-	170
Term loans	5,000	5,000
	144,800	120,042
<b>Long term borrowings (unsecured)</b>		
Term loans	2,500	5,000
<b>Total Borrowings</b>	<b>147,300</b>	<b>125,042</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.

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**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.

**B 10 Earnings per share**

	<b>Current quarter</b>	<b>Cumulative period</b>
Net profit for the period attributable to ordinary shareholders (RM'000)	4,032	9,533
<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)	1.62	3.84

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 March 2019