

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 30 April 2019

	As at 30 April 2019 RM'000	As at 30 April 2018 RM'000 (Restated)
ASSETS		
Non-current assets		
Investment property	24,914	-
Property, plant and equipment	194,759	203,445
Investment in an associate	8,452	-
Other investments	1,103	1,103
Deferred tax assets	97	94
	<u>229,325</u>	<u>204,642</u>
Current assets		
Inventories	105,089	109,618
Trade receivables	106,190	114,492
Other receivables	34,707	12,549
Derivative financial asset	-	70
Current tax assets	3,282	1,386
Short term fund	14,260	-
Deposits with licensed bank	2,000	24,720
Cash and bank balances	15,027	12,574
	<u>280,555</u>	<u>275,409</u>
TOTAL ASSETS	<u>509,880</u>	<u>480,051</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,397	4,189
Retained earnings	163,234	153,551
Equity attributable to owners of the Company	<u>293,402</u>	<u>283,511</u>
Non-controlling interests	502	-
Total equity	<u>293,904</u>	<u>283,511</u>
Non-current liabilities		
Bank borrowings (unsecured)	-	5,000
Deferred tax liabilities	20,468	19,503
	<u>20,468</u>	<u>24,503</u>
Current liabilities		
Trade payables	33,068	37,779
Other payables	26,918	13,932
Bank borrowings (unsecured)	135,190	120,042
Current tax liabilities	332	284
	<u>195,508</u>	<u>172,037</u>
TOTAL LIABILITIES	<u>215,976</u>	<u>196,540</u>
TOTAL EQUITY AND LIABILITIES	<u>509,880</u>	<u>480,051</u>
	RM	RM
Net assets per share	<u>1.18</u>	<u>1.14</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 30 April 2019

	Current quarter ended		Cumulative period ended	
	30 April 2019 RM'000	30 April 2018 RM'000	30 April 2019 RM'000	30 April 2018 RM'000
Revenue	113,034	121,914	532,874	509,790
Operating expenses	(110,312)	(120,648)	(516,143)	(499,767)
Profit from operations	2,722	1,266	16,731	10,023
Net other operating income/(expense)	332	104	2,522	2,002
Profit before interest and tax	3,054	1,370	19,253	12,025
Finance costs	(1,559)	(1,216)	(6,253)	(4,391)
Share of results of an associate	1,801	-	2,452	-
Profit before taxation	3,296	154	15,452	7,634
Taxation	(644)	(546)	(3,315)	(1,537)
Net profit/(loss) for the period	2,652	(392)	12,137	6,097
Other comprehensive income				
- Foreign currency translations	(4)	(11)	208	(521)
Total comprehensive income for the period, net of tax	2,648	(403)	12,345	5,576
Net profit/(loss) for the period attributable to:				
- Owners of the Company	2,661	(392)	12,193	6,097
- Non-controlling interests	(9)	-	(56)	-
Net profit/(loss) for the period	2,652	(392)	12,137	6,097
Total comprehensive income attributable to:				
- Owners of the Company	2,657	(403)	12,401	5,576
- Non-controlling interests	(9)	-	(56)	-
Total comprehensive income for the period	2,648	(403)	12,345	5,576
Basic earnings per share attributable to owners of the Company (sen)				
- Basic / Diluted	1.07	(0.16)	4.91	2.45

(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 30 April 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	-	(521)	6,097	5,576	-	5,576
Dividend paid	-	-	(6,212)	(6,212)	-	(6,212)
Balance as at 30 April 2018	<u>125,771</u>	<u>4,189</u>	<u>163,961</u>	<u>293,921</u>	<u>-</u>	<u>293,921</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	-	-	(2,900)	(2,900)	-	(2,900)
Adjustments arising from adoption of MFRS 15	-	-	(7,510)	(7,510)	-	(7,510)
Balance as at 1 May 2018 (restated)	<u>125,771</u>	<u>4,189</u>	<u>153,551</u>	<u>283,511</u>	<u>-</u>	<u>283,511</u>
Total comprehensive income for the period	-	208	12,193	12,401	(56)	12,345
Dividend paid	-	-	(2,485)	(2,485)	-	(2,485)
Acquisition of subsidiaries	-	-	(25)	(25)	558	533
Balance as at 30 April 2019	<u>125,771</u>	<u>4,397</u>	<u>163,234</u>	<u>293,402</u>	<u>502</u>	<u>293,904</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 30 April 2019

	Period ended 30 April 2019 RM'000	Period ended 30 April 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,452	7,634
Adjustments for		
Depreciation of property, plant and equipment	12,086	18,430
Depreciation of investment property	86	-
Dividend income from quoted shares in Malaysia	(49)	(49)
Fair value adjustments on:		
- Derivatives	70	(248)
- Other investment	-	517
Loss on disposal of property, plant and equipment, net	142	6
Property, plant and equipment written off	2	2,551
Reversal of impairment on receivables, net	(704)	(1,560)
Other receivable written off	77	-
Inventories written off	156	141
Reversal of inventories written down	(97)	(221)
Interest income	(931)	(1,104)
Interest expense	6,253	4,391
Unrealised (gain)/loss on foreign exchange	(147)	590
Share of results of an associate, net of tax	(2,452)	-
Operating profit before working capital changes	29,944	31,078
Changes in inventories	4,477	(13,491)
Changes in receivables	(13,000)	(9,860)
Changes in payables	8,851	(11,901)
Cash generated from/(used in) operations	30,272	(4,174)
Tax refunded	123	2,051
Tax paid	(4,325)	(5,827)
Net cash generated from/(used in) operating activities	26,070	(7,950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	474	1
Purchases of property, plant and equipment	(3,978)	(18,156)
Purchase of investment property	(25,000)	-
Withdrawal of deposits placed with licensed banks	14,510	15,000
Dividend received	49	49
Investment in an associate	(6,000)	-
Interest received	931	1,104
Net cash used in investing activities	(19,014)	(2,002)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 April 2019

	Period ended 30 April 2019 RM'000	Period ended 30 April 2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,485)	(6,212)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	(4,682)	44,422
- Term loan	(5,000)	(5,000)
- Revolving credit	20,000	(10,000)
Interest paid	(6,253)	(4,391)
Net cash generated from financing activities	<u>1,580</u>	<u>18,819</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,636	8,867
Effect of exchange rate changes on cash and cash equivalents	35	(463)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	22,616	14,212
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>31,287</u>	<u>22,616</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term fund	14,260	-
Deposits with licensed bank	2,000	24,720
Cash and bank balances	15,027	12,576
Bank overdrafts	-	(170)
	<u>31,287</u>	<u>37,126</u>
Less: Deposits with maturity periods of more than three months	-	(14,510)
	<u>31,287</u>	<u>22,616</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 and MFRS 15.

(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 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 and MFRS 15

The financial effects arising from the initial adoption of MFRS 9 and MFRS 15 are as follows:-

	As previously stated as at 1 May 2018	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Restated as at 1 May 2018
	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position				
Non-current Assets				
Property, plant & equipment	223,113	-	(19,668)	203,445
Deferred tax assets	7	87	-	94
Current Assets				
Trade receivables	117,630	(3,138)	-	114,492
Other receivables	13,035	(486)	-	12,549
Cash and bank balances	12,576	(2)	-	12,574
Non-current Liabilities				
Deferred tax liabilities	22,434	(639)	(2,292)	19,503
Current Liabilities				
Other payables	23,798	-	(9,866)	13,932
Equity attributable to ordinary shareholders				
Retained earnings	163,961	(2,900)	(7,510)	153,551

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.

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

	Current quarter ended		Cumulative period ended	
	30 April		30 April	
	2019	2018	2019	2018
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	2,140	(4,692)	(12,086)	(18,430)
Depreciation of investment property	(31)	-	(86)	-
Dividend income from quoted shares in Malaysia	-	-	49	49
Bad debts written off	-	5	-	-
Fair value adjustments on:				
- derivatives	16	115	(70)	248
- other investment	(11)	(247)	-	(517)
Loss on disposal of property, plant and equipment, net	(142)	(7)	(142)	(6)
Property, plant and equipment written off	2,396	1,269	(2)	(2,551)
Reversal of impairment on receivables, net	953	1	704	1,560
Other receivable written off	(77)	-	(77)	-
Inventories written off	(37)	(21)	(156)	(141)
Reversal of inventories written down	19	40	97	221
Interest income	243	304	931	1,104
Interest expense	(1,559)	(1,216)	(6,253)	(4,391)
Foreign exchange gain/(loss), net				
- realised	(187)	(428)	527	(626)
- unrealised	110	116	147	(590)

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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	351,677	-	-	351,677
- Export	137,742	43,455	-	181,197
Inter-segment	52,171	-	(52,171)	-
Total revenue	541,590	43,455	(52,171)	532,874
Segment result	18,615	638		19,253
Finance costs				(6,253)
Share of results of an associate, net of tax				2,452
Taxation				(3,315)
Profit after taxation				12,137
Other information				
Segment assets	486,754	11,295		498,049
Investment in an associate				8,452
Current tax assets				3,282
Deferred tax assets				97
Consolidated total assets				509,880
Segment liabilities	194,583	593		195,176
Current tax liabilities				332
Deferred tax liabilities				20,468
Consolidated total liabilities				215,976

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

- (a) The Company has on 16 May 2019 acquired 1 ordinary share, representing 100% equity interest in Greentech Paramount Sdn Bhd (“GPSB”) for a cash consideration of RM1.00. Following the completion of the acquisition on 16 May 2019, GPSB became a wholly owned subsidiary of the Company.
- (b) GPSB has on 16 May 2019 subscribed for 2,005,000 new ordinary shares representing 50.06% of equity interest in Pembinaan Serta Hebat Sdn Bhd (“PSH”) for a cash consideration of RM2,005,000 only. Following the completion of the subscription on 16 May 2019, PSH became a 50.06%-owned subsidiary of GPSB.

PSH has on 28 February 2019 received a letter from Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan Kuala Lumpur (“Land Office”) dated 28 February 2019 stating that the Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur (“JKTWPKL”) has approved PSH’s application for alienation (“*Pemberimilikan*”) of the land known as Lot 36191, Jalan Tasik Selatan, Bandar Tasik Selatan, Mukim Petaling Kuala Lumpur, measuring in area of 93,520 square meters (“the Land”) for purposes of residential development for “*Perumahan Satu Anggota Satu Rumah (“SASaR”) dan pangsapuri sahaja*”. The premium and other charges on the Land totaling RM44,255,189.00 shall be paid to the Land Office within 3 months from 28 February 2019.

PSH has on 19 June 2019 received a letter dated 18 June 2019 from the Land Office stating that JKTWPKL has approved PSH’s application for reduction of premium on the Land and extension of payment period for the premium. PSH has on 20 June 2019 paid the revised amount of premium and other charges on the Land totaling RM40,786,532.00 to the Land Office.

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-subsi-dary of the Company.

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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	
	30 April 2019	30 April 2018
	RM'000	RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries - unsecured		
-Limit of guarantee	14,100	14,100
-Amount utilized	3,520	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	
	30 April 2019	30 April 2018
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	12,835	25,588
Authorised but not contracted for	11,652	27,557

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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 30 April		Cumulative period ended 30 April	
	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	23,196	29,583	110,291	114,930
Ritecorp Sdn Bhd - Rental of premises	15	15	60	60
	23,211	29,598	110,351	114,990

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 30 April		+ / (-)	Cumulative period ended 30 April		+ / (-)
	2019	2018		2019	2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
- Malaysia	79,491	88,926	(10.6)	351,677	359,088	(2.1)
- Overseas	33,543	32,988	1.7	181,197	150,702	20.2
Total Revenue	113,034	121,914	(7.3)	532,874	509,790	4.5
Profit From Operations	2,722	1,266	115.0	16,731	10,023	66.9
Net Other Operating Income/(Expenses)	332	104	219.2	2,522	2,002	26.0
Finance Costs	(1,559)	(1,216)	28.2	(6,253)	(4,391)	42.4
Share of Results of an Associate	1,801	-	N/A	2,452	-	N/A
Profit Before Taxation	3,296	154	2,040.3	15,452	7,634	102.4
Taxation	(644)	(546)	17.9	(3,315)	(1,537)	115.7
Profit After Taxation	2,652	(392)	N/A	12,137	6,097	99.1

For the quarter

The Group's revenue for the current quarter ended 30 April 2019 decreased by 7.3% to RM113.03 million from RM121.91 million in the preceding year corresponding quarter, due to lower sales volume and average selling prices predominantly in the Malaysian market.

Despite lower revenue, the Group's profit from operations increased by 115.0% from RM1.27 million to RM2.72 million due mainly to better margins as a result of lower raw material costs.

The Group's net other operating income increased by 219.2% from RM0.10 million to RM0.33 million due mainly to higher rental income recorded in the current quarter under review as well as higher reversal of impairment loss on receivables.

Coupled with the share of results of an associate, the Group's profit before taxation and profit after taxation for the current quarter improved substantially compared to the preceding year corresponding quarter.

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B1 Review of performance (continued)

For the year

For the financial year ended 30 April 2019, the Group recorded revenue of RM532.87 million, an increase of 4.5% compared to the preceding year. The increase was primarily attributed to higher sales volume from the overseas market which rose by 20.2%.

The Group's profit from operations for the year increased by 66.9% from RM10.02 million to RM16.73 million due mainly to higher revenue and better margins.

Net other operating income increased by 26.0% from RM2.00 million to RM2.52 million. The increase was due mainly to higher foreign exchange gain and higher rental income recorded in the current year.

In view of the improved operational performance as well as the share of results of an associate, the Group's profit before taxation and profit after taxation for the financial year under review were higher by 102.4% and 99.1% respectively compared to the previous financial year.

B2 Variance of results against preceding quarter

	Current quarter	Preceding quarter	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Malaysia	79,491	89,513	(10,022)	(11.2)
- Overseas	33,543	51,387	(17,844)	(34.7)
Total Revenue	113,034	140,900	(27,866)	(19.8)
Profit From Operations	2,722	4,937	(2,215)	(44.9)
Net Other Operating Income/(Expenses)	332	959	(627)	(65.4)
Finance Costs	(1,559)	(1,683)	124	(7.4)
Share of Results of an Associate	1,801	691	1,110	160.6
Profit Before Taxation	3,296	4,904	(1,608)	(32.8)
Taxation	(644)	(874)	230	(26.3)
Profit After Taxation	2,652	4,030	(1,378)	(34.2)

The Group recorded revenue of RM113.03 million in the current quarter, lower by 19.8% or RM27.87 million compared to RM140.90 million for the preceding quarter. The decrease in revenue was due mainly to lower sales volume and average selling prices.

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B2 Variance of results against preceding quarter (continued)

Profit from operations decreased by 44.9% or RM2.22 million from RM4.94 million to RM2.72 million in line with the decrease in revenue.

The net other operating income for the current quarter decreased by RM0.63 million to RM0.33 million due mainly to higher provision of expenses.

Meanwhile, share of results from an associate increased from RM0.69 million to RM1.80 million.

The Group's profit before taxation and profit after taxation for the current quarter decreased by 32.8% and 34.2% respectively as compared to the preceding quarter.

B3 Current year prospects

The world economy continued to expand in the first quarter of 2019 with majority of advanced and regional economies recording slower growths with the exception of United States and United Kingdom. Asian economies including China recorded slower growth in the first quarter of 2019. Going forward, the global economy is expected to expand at a moderate pace in 2019 but remain vulnerable to downside risks including further escalation of trade tensions, geopolitical unease as well as Brexit uncertainty.

On the local front, the Malaysian economy expanded by 4.5% in the first quarter of 2019 with private consumption remained the key growth driver. Looking forward, the Malaysian economy is expected to sustain its performance in 2019 underpinned by continuous support from private sector consumption. Although the construction sector registered lower growth in the first quarter of 2019, it is expected to improve in the remainder of the year driven by upcoming projects in the private sector.

While aluminium prices have stabilised, the continuous fluctuation of the Malaysian Ringgit against the United States Dollar is expected to affect our export revenue. 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 has contributed positively to the Group and is expected to do so 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 30 April		Cumulative period ended 30 April	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	(1,236)	(989)	2,354	698
Deferred tax expenses	1,880	1,535	961	839
	644	546	3,315	1,537

The Group's effective tax rate for the financial period to date was lower than the statutory tax rate due mainly to reversal of overprovision of taxation expense for 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

	30 April 2019	30 April 2018
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers' acceptances	110,190	114,872
Revolving credit	20,000	-
Bank overdrafts	-	170
Term loans	5,000	5,000
	135,190	120,042
Long term borrowings (unsecured)		
Term loans	-	5,000
Total Borrowings	135,190	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.

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B9 Dividend

The Directors have recommended a first and final dividend of 1.50 sen per ordinary share (2018: 1.00 sen per ordinary share) amounting to RM3,727,295 (2018: RM2,484,863) in respect of the Company's current financial year ended 30 April 2019.

The proposed dividend is subject to the approval of shareholders at the upcoming 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.

B 10 Earnings per share

	Current quarter	Cumulative period
Net profit for the period attributable to ordinary shareholders (RM'000)	2,661	12,193
<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)	1.07	4.91

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: 27 June 2019