

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 31 January 2020

	As at 31 January 2020 RM'000	As at 30 April 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	203,110	194,759
Investment property	24,823	24,914
Goodwill	2,558	-
Investment in an associate	12,614	8,452
Other investments	1,029	1,103
Deferred tax assets	166	97
	<u>244,300</u>	<u>229,325</u>
Current assets		
Inventories	148,176	105,089
Trade receivables	97,971	106,190
Other receivables	31,927	34,707
Current tax assets	80	3,282
Short term fund	13,232	14,260
Deposits with licensed bank	21,250	2,000
Cash and bank balances	32,931	15,027
	<u>345,567</u>	<u>280,555</u>
TOTAL ASSETS	<u>589,867</u>	<u>509,880</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,270	4,397
Retained earnings	172,454	163,235
Equity attributable to owners of the Company	<u>302,495</u>	<u>293,403</u>
Non-controlling interests	782	502
Total equity	<u>303,277</u>	<u>293,905</u>
Non-current liabilities		
Bank borrowings	35,545	-
Deferred tax liabilities	19,284	20,468
	<u>54,829</u>	<u>20,468</u>
Current liabilities		
Trade payables	29,166	33,068
Other payables	38,374	26,917
Bank borrowings (unsecured)	162,980	135,190
Current tax liabilities	1,241	332
	<u>231,761</u>	<u>195,507</u>
TOTAL LIABILITIES	<u>286,590</u>	<u>215,975</u>
TOTAL EQUITY AND LIABILITIES	<u>589,867</u>	<u>509,880</u>
	RM	RM
Net assets per share	<u>1.22</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 2019)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income
For the financial period ended 31 January 2020

	Current quarter ended		Cumulative period ended	
	31 January 2020 RM'000	31 January 2019 RM'000	31 January 2020 RM'000	31 January 2019 RM'000
Revenue	125,349	140,900	382,142	419,841
Operating expenses	(119,367)	(135,963)	(365,579)	(405,831)
Profit from operations	5,982	4,937	16,563	14,010
Net other operating income/(expense)	(196)	959	(176)	2,191
Profit before interest and tax	5,786	5,896	16,387	16,201
Finance costs	(1,852)	(1,683)	(5,099)	(4,694)
Share of results of an associate (net)	1,439	691	4,162	650
Profit before taxation	5,373	4,904	15,450	12,157
Taxation	(1,332)	(874)	(3,735)	(2,671)
Net profit for the period	4,041	4,030	11,715	9,486
Other comprehensive income				
- Foreign currency translations	(218)	40	(127)	212
Total comprehensive income for the period, net of tax	3,823	4,070	11,588	9,698
Net profit for the period attributable to:				
- Owners of the Company	4,271	4,032	12,946	9,533
- Non-controlling interests	(230)	(2)	(1,231)	(47)
Net profit for the period	4,041	4,030	11,715	9,486
Total comprehensive income attributable to:				
- Owners of the Company	4,053	4,072	12,819	9,745
- Non-controlling interests	(230)	(2)	(1,231)	(47)
Total comprehensive income for the period	3,823	4,070	11,588	9,698
Basic earnings per share attributable to owners of the Company (sen)				
- Basic / Diluted	1.72	1.62	5.21	3.84

(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 2019)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 January 2020

	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 2018	125,771	4,189	163,072	293,032	-	293,032
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>
Balance as at 1 May 2019	125,771	4,397	163,235	293,403	502	293,905
Total comprehensive income for the period	-	(127)	12,946	12,819	(1,231)	11,588
Dividend paid	-	-	(3,727)	(3,727)	-	(3,727)
Acquisition of subsidiaries	-	-	-	-	1,511	1,511
Balance as at 31 January 2020	<u>125,771</u>	<u>4,270</u>	<u>172,454</u>	<u>302,495</u>	<u>782</u>	<u>303,277</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 2019)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 January 2020

	Period ended 31 January 2020 RM'000	Period ended 31 January 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,450	12,157
Adjustments for		
Depreciation of property, plant and equipment	9,230	14,226
Depreciation of investment property	91	55
Dividend income from quoted shares in Malaysia	(53)	(49)
Fair value adjustments on:		
- Derivatives	-	86
- Other investment	74	(11)
Gain on disposal of property, plant and equipment, net	(25)	-
Property, plant and equipment written off	56	2,398
Impairment losses on receivables, net	1,044	249
Inventories written off	87	119
Reversal of inventories written down	-	(78)
Interest income	(716)	(688)
Interest expense	5,099	4,694
Unrealised loss/(gain) on foreign exchange	82	(37)
Share of results of an associate (net)	(4,162)	(650)
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Operating profit before working capital changes	26,257	32,471
Changes in inventories	(43,177)	(7,329)
Changes in receivables	9,695	4,907
Changes in payables	9,202	4,853
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Cash generated from operations	1,977	34,902
Tax refunded	2,177	123
Tax paid	(3,087)	(2,758)
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Net cash generated from operating activities	1,067	32,267
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CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of goodwill	(2,558)	-
Proceeds from disposal of property, plant and equipment	25	1
Purchases of property, plant and equipment	(17,654)	(10,983)
Purchase of investment property	-	(25,000)
Withdrawal of deposits placed with licensed banks	-	14,510
Dividend received	53	49
Investment in an associate	-	(6,039)
Withdrawal of short term fund	1,028	-
Interest received	716	688
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Net cash used in investing activities	(18,390)	(26,774)
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LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 January 2020

	Period ended 31 January 2020 RM'000	Period ended 31 January 2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,727)	(2,485)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	9,090	4,928
- Term loan	37,904	(2,500)
- Revolving credit	16,000	20,000
- Finance lease facility	341	-
Interest paid	(5,099)	(4,694)
	<u>54,509</u>	<u>15,249</u>
Net cash generated from financing activities		
	<u>54,509</u>	<u>15,249</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,186	20,742
Effect of exchange rate changes on cash and cash equivalents	(32)	(4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17,027	22,616
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>54,181</u>	<u>43,354</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed bank	21,250	21,239
Cash and bank balances	32,931	22,115
	<u>54,181</u>	<u>43,354</u>
Less: Deposits with maturity periods of more than three months	-	-
	<u>54,181</u>	<u>43,354</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 2019)

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

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 2019. 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 2019.

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 2019 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 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

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

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 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
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

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

MFRS 17: Insurance Contracts

(iii) 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.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2019.

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 1.50 sen per ordinary share in respect of the financial year ended 30 April 2019 amounting to RM 3,727,295 was paid on 18 October 2019.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

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

	Current quarter ended		Cumulative period ended	
	31 January		31 January	
	2020	2019	2020	2019
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(3,084)	(4,801)	(9,230)	(14,226)
Depreciation of investment property	(30)	(30)	(91)	(55)
Dividend income from quoted shares in Malaysia	53	49	53	49
Fair value adjustments on:				
- derivatives	-	(22)	-	(86)
- other investment	(11)	(42)	(74)	11
Gain on disposal of property, plant and equipment, net	-	-	25	-
Property, plant and equipment written off	(52)	(843)	(56)	(2,398)
Impairment losses on receivables, net	421	424	(1,044)	(249)
Inventories written off	(59)	(22)	(87)	(119)
Reversal of inventories written down	-	38	-	78
Interest income	371	171	716	688
Interest expense	(1,852)	(1,683)	(5,099)	(4,694)
Foreign exchange (loss)/gain, net				
- realised	(81)	87	(15)	714
- unrealised	(238)	(258)	(82)	37

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

A10 Segmental information

The Group is divided into business segments based on products and services. In addition to business segments, the management also assesses the Group's performance based on geographical segments.

The Group's reportable business segments include:-

(a) Aluminium

Manufacturing, marketing and trading of aluminium extrusion and other metal products; property holding; providing performance tests for windows, door and facades; providing metal stamping and other engineering works.

(b) Property

Property development.

i. Business segments

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
Revenue			
External customers	382,142	-	382,142
Segment result	18,618	(2,231)	16,387
Share of results of an associate (net)	-	4,162	4,162
	18,618	1,931	20,549
Finance costs			(5,099)
Taxation			(3,735)
Profit after taxation			11,715
Other information			
Segment assets	480,068	96,939	577,007
Investment in an associate	-	12,614	12,614
	480,068	109,553	589,621
Current tax assets			80
Deferred tax assets			166
Consolidated total assets			589,867
Segment liabilities	209,958	56,107	266,065
Current tax liabilities			1,241
Deferred tax liabilities			19,284
Consolidated total liabilities			286,590

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

A10 Segmental information (continued)

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	238,535	-	-	238,535
- Export	109,658	33,949	-	143,607
Inter-segment	27,019	-	(27,019)	-
Total revenue	375,212	33,949	(27,019)	382,142
Segment result	14,479	1,908		16,387
Finance costs				(5,099)
Share of results of an associate (net)				4,162
Taxation				(3,735)
Profit after taxation				11,715

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

A11 Material events subsequent to the end of the current quarter

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter under review and financial period to date.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

A12 Changes in composition of the Group

- (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) The wholly owned subsidiary of the Company, 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.
- (c) The Company has on 10 October 2019 entered into share sale agreements to acquire a total of 60,000 ordinary shares, representing 60% equity interest in SEMS Sdn Bhd (“SEMS”) for a cash consideration of RM2,200,000.00 only. SEMS’s principal activities are metal stamping and other engineering works. Following the completion of the acquisition on 27 November 2019, SEMS became a 60.00%-owned subsidiary of the Company.

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 January 2020	30 April 2019
	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	3,500	3,520
Corporate guarantees given to third parties for supplies of goods and services to a subsidiary - unsecured		
-Limit of guarantee	2,000	2,000
-Amount utilized	245	81

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

A14 Capital commitments

	Group	
	31 January 2020	30 April 2019
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	959	12,835
Authorised but not contracted for	11,837	11,652

A15 Significant Related Party Transactions

The Group has a number of significant related party transactions with companies in which a Director is deemed to have an interest by virtue of his direct and indirect shareholdings. The significant related party transactions during the current quarter under review are as follows:

Transaction parties and transaction details	Current quarter ended 31 January		Cumulative period ended 31 January	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd				
- Purchase and tolling services of aluminium billets	24,433	26,950	68,965	87,095
- Sales of aluminium billets	-	-	1,660	-
Ritecorp Sdn Bhd				
- Rental of premises	15	15	45	45
	24,448	26,965	70,670	87,140

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

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B Additional information required by the Bursa Securities' Listing Requirements

B1 Review of performance

Current quarter ended 31 January 2020

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>3rd Quarter 2020 ("3Q2020")</u>			
Revenue			
- Malaysia	75,765	-	75,765
- Overseas	49,584	-	49,584
Total Revenue	125,349	-	125,349
Profit/(Loss) From Operations	6,302	(320)	5,982
Net Other Operating Income/(Expenses)	(283)	87	(196)
Finance Costs	(1,690)	(162)	(1,852)
Share of Results of an Associate (Net)	-	1,439	1,439
Profit Before Taxation	4,329	1,044	5,373
Taxation	(1,332)	-	(1,332)
Profit After Taxation	2,997	1,044	4,041
<u>3rd Quarter 2019 ("3Q2019")</u>			
Revenue			
- Malaysia	89,513	-	89,513
- Overseas	51,387	-	51,387
Total Revenue	140,900	-	140,900
Profit/(Loss) From Operations	4,938	(1)	4,937
Net Other Operating Income/(Expenses)	959	-	959
Finance Costs	(1,683)	-	(1,683)
Share of Results of an Associate (Net)	-	691	691
Profit Before Taxation	4,214	690	4,904
Taxation	(871)	(3)	(874)
Profit After Taxation	3,343	687	4,030
<u>Variance</u>			
Total Revenue	-11.0%	-	-11.0%
Profit From Operations	27.6%	N/A	21.2%
Profit Before Taxation	2.7%	51.3%	9.6%
Profit After Taxation	-10.3%	51.8%	0.3%

N/A – Not applicable due to incomparability.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B1 Review of performance (continued)

For the 9 months period ended 31 January 2020

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>Year To Date FY2020 ("9M2020")</u>			
Revenue			
- Malaysia	238,535	-	238,535
- Overseas	143,607	-	143,607
Total Revenue	382,142	-	382,142
Profit/(Loss) From Operations	18,961	(2,398)	16,563
Net Other Operating Income/(Expenses)	(344)	168	(176)
Finance Costs	(4,936)	(163)	(5,099)
Share of Results of an Associate (Net)	-	4,162	4,162
Profit Before Taxation	13,681	1,769	15,450
Taxation	(3,735)	-	(3,735)
Profit After Taxation	9,946	1,769	11,715
<u>Year To Date FY2019 ("9M2019")</u>			
Revenue			
- Malaysia	272,187	-	272,187
- Overseas	147,654	-	147,654
Total Revenue	419,841	-	419,841
Profit/(Loss) From Operations	14,057	(47)	14,010
Net Other Operating Income/(Expenses)	2,191	-	2,191
Finance Costs	(4,694)	-	(4,694)
Share of Results of an Associate (Net)	-	650	650
Profit Before Taxation	11,554	603	12,157
Taxation	(2,668)	(3)	(2,671)
Profit After Taxation	8,886	600	9,486
<u>Variance</u>			
Total Revenue	-9.0%	-	-9.0%
Profit From Operations	34.9%	5054.1%	18.2%
Profit Before Taxation	18.4%	193.5%	27.1%
Profit After Taxation	11.9%	195.0%	23.5%

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B1 Review of performance (continued)

3Q2020 vs 3Q2019

The Group recorded revenue of RM125.35 million for 3Q2020 compared to RM140.90 million for 3Q2019. The decrease of 11.0% was due mainly to both lower sales volume and average selling prices from the aluminium segment.

Despite the decrease in revenue, the Group recorded higher profit from operations by 21.2% at RM5.98 million due mainly to higher margins from the aluminium segment.

Meanwhile, the Group recorded a net other operating expenses of RM196,000 for 3Q2020 compared to a net other operating income of RM959,000 for 3Q2019 due mainly to higher provisions in the current quarter in the aluminium segment.

The share of results of an associate for 3Q2020 amounted to RM1.44 million compared to 3Q2019 of RM690,000.

In line with the above, the Group's recorded higher profit before taxation and profit after taxation of RM5.37 million and RM4.04 million respectively in 3Q2020.

9M2020 vs 9M2019

The Group recorded revenue of RM382.14 million for 9M2020 compared to RM419.84 million for 9M2019. The decrease of 9% was due mainly to both lower sales volume and average selling prices from the aluminium segment.

Although revenue decreased, the profit from operations was higher by 18.2% at RM16.56 million due mainly to higher margins from the aluminium segment and despite a loss of RM2.40 million incurred in the property segment.

The Group recorded a net other operating expense of RM176,000 for 9M2020 compared to a net other operating income of RM2.19 million for 9M2019 due mainly to higher provisions in the current year period in the aluminium segment.

The share of results of an associate for 9M2020 increased to RM4.16 million from RM650,000 for 9M2019. The development project is almost 100% sold with cumulative construction progress of approximately 30% as at the end of the quarter.

In line with the above, the Group's recorded higher profit before taxation and profit after taxation of RM15.45 million and RM11.72 million respectively in 9M2020.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B2 Variance of results against preceding quarter

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>3rd Quarter 2020 ("3Q2020")</u>			
Revenue			
- Malaysia	75,765	-	75,765
- Overseas	49,584	-	49,584
Total Revenue	125,349	-	125,349
Profit/(Loss) From Operations	6,302	(320)	5,982
Net Other Operating Income/(Expenses)	(283)	87	(196)
Finance Costs	(1,690)	(162)	(1,852)
Share of Results of an Associate (Net)	-	1,439	1,439
Profit Before Taxation	4,329	1,044	5,373
Taxation	(1,332)	-	(1,332)
Profit After Taxation	2,997	1,044	4,041
<u>2nd Quarter 2020 ("2Q2020")</u>			
Revenue			
- Malaysia	83,824	-	83,824
- Overseas	46,160	-	46,160
Total Revenue	129,984	-	129,984
Profit/(Loss) From Operations	6,225	(2,075)	4,150
Net Other Operating Income/(Expenses)	(23)	80	57
Finance Costs	(1,576)	(1)	(1,577)
Share of Results of an Associate (Net)	-	1,770	1,770
Profit Before Taxation	4,626	(226)	4,400
Taxation	(1,308)	-	(1,308)
Profit After Taxation	3,318	(226)	3,092
<u>Variance</u>			
Total Revenue	-3.6%	-	-3.6%
Profit From Operations	1.2%	-84.6%	44.1%
Profit Before Taxation	-6.4%	-562.8%	22.1%
Profit After Taxation	-9.7%	-562.8%	30.7%

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B2 Variance of results against preceding quarter (continued)

The Group recorded revenue of RM125.35 million for 3Q2020 compared to RM129.98 million for 2Q2020. The decrease of 3.6% was due mainly to both lower sales volume and average selling prices for the aluminium segment.

Despite the decrease in revenue, the profit from operations was higher by 44.1% to RM5.98 million due mainly to higher margins for the aluminium segment as well as lower operating expenses incurred by the property segment.

The share of results of an associate for 3Q2020 amounted to RM1.44 million compared to 2Q2020 of RM1.77 million.

The Group's profit before taxation and profit after taxation for 3Q2020 were higher by 22.1% and 30.7% respectively.

B3 Current year prospects

Global economy

Starting from the beginning of year 2020, the global economy has slowed down significantly due mainly to the prolonged coronavirus pandemic coupled with the plunge of crude oil prices. The global economy is expected to further slowdown in 2020 if the abovementioned factors remain unresolved in the near future.

Malaysian economy

On the home front, the Malaysian economy is badly affected by the Covid-19 pandemic and the drastic fall of the crude oil prices. The Malaysian Government has on 16th March 2020 issued a movement control order for the period from 18th March 2020 to 31st March 2020 in order to cope with the Covid-19 pandemic. And on 25th March 2020, it was extended to 14th April 2020. This is expected to have an adverse impact on the results of the Group for the next quarter. The Malaysia's GDP for the upcoming quarter ending March 2020 is expected to be lower than the previous quarter of 3.6%.

Prospect for the Group

While the Group has been benefiting from the recent low raw material cost, we continue to act cautiously so that we can respond quickly to any adverse market conditions.

Given the current scenario, the Board is of the view that the Group's profitability would be uncertain for the forthcoming quarter.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Taxation

	Current quarter ended 31 January		Cumulative period ended 31 January	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	1,251	651	5,025	3,590
Deferred tax expenses	81	223	(1,290)	(919)
	1,332	874	3,735	2,671

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 incurred in the current quarter and financial period.

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 2020	30 April 2019
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers' acceptances	119,280	110,190
Revolving credit	36,000	20,000
Post-shipment buyer loan	5,200	-
Term loan	2,500	5,000
	162,980	135,190
Long term borrowings		
Finance lease facility (unsecured)	341	-
Term loan (secured)	35,204	-
	35,545	-
Total Borrowings	198,525	135,190

All borrowings are denominated in Malaysian Ringgit.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 31 January 2020

B8 Changes in material litigation

There is no material litigation involving the Group, which is not in the ordinary course of business as at the date of this report.

B9 Dividend

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

B 10 Earnings per share

	Current quarter	Cumulative period
Net profit for the period attributable to ordinary shareholders (RM'000)	4,271	12,946
<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)	1.72	5.21

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: 26 March 2020