

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Financial Position
As at 30 April 2020

	As at 30 April 2020 RM'000	As at 30 April 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	193,657	194,759
Investment property	24,793	24,914
Right-of-use assets	11,411	-
Goodwill	2,484	-
Investment in an associate	13,559	8,452
Other investment	851	1,103
Deferred tax assets	-	97
	<u>246,755</u>	<u>229,325</u>
Current assets		
Inventories	153,910	105,089
Trade receivables	88,189	106,191
Other receivables	46,586	34,706
Current tax assets	990	3,282
Short term fund	13,327	14,260
Deposits with licensed bank	1,000	2,000
Cash and bank balances	34,016	15,027
	<u>338,018</u>	<u>280,555</u>
TOTAL ASSETS	<u>584,773</u>	<u>509,880</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,423	4,397
Retained earnings	163,284	163,235
Equity attributable to owners of the Company	<u>293,478</u>	<u>293,403</u>
Non-controlling interests	731	502
Total equity	<u>294,209</u>	<u>293,905</u>
Non-current liabilities		
Bank borrowings	35,196	-
Deferred tax liabilities	20,512	20,468
Lease liabilities	3,040	-
	<u>58,748</u>	<u>20,468</u>
Current liabilities		
Trade payables	58,345	32,895
Other payables	39,221	27,090
Bank borrowings (unsecured)	131,915	135,190
Current tax liabilities	837	332
Lease liabilities	1,498	-
	<u>231,816</u>	<u>195,507</u>
TOTAL LIABILITIES	<u>290,564</u>	<u>215,975</u>
TOTAL EQUITY AND LIABILITIES	<u>584,773</u>	<u>509,880</u>
	RM	RM
Net assets per share	<u>1.18</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 30 April 2020

	Current quarter ended		Cumulative period ended	
	30 April 2020 RM'000	30 April 2019 RM'000	30 April 2020 RM'000	30 April 2019 RM'000
Revenue	76,042	113,033	458,184	532,874
Operating expenses	(81,156)	(110,195)	(446,735)	(516,026)
Profit/(loss) from operations	(5,114)	2,838	11,449	16,848
Net other operating income/(expense)	(3,030)	235	(3,206)	2,426
Profit/(loss) before interest and tax	(8,144)	3,073	8,243	19,274
Finance costs	(1,561)	(1,559)	(6,660)	(6,253)
Share of results of an associate (net)	945	1,802	5,107	2,452
Profit/(loss) before taxation	(8,760)	3,316	6,690	15,473
Taxation	(406)	(644)	(4,141)	(3,315)
Net profit/(loss) for the period	(9,166)	2,672	2,549	12,158
Other comprehensive income				
- Foreign currency translations	153	(4)	26	208
Total comprehensive income/(loss) for the period, net of tax	(9,013)	2,668	2,575	12,366
Net profit/(loss) for the period attributable to:				
- Owners of the Company	(9,075)	2,636	3,871	12,169
- Non-controlling interests	(91)	36	(1,322)	(11)
Net profit/(loss) for the period	(9,166)	2,672	2,549	12,158
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	(8,922)	2,632	3,897	12,377
- Non-controlling interests	(91)	36	(1,322)	(11)
Total comprehensive income/(loss) for the period	(9,013)	2,668	2,575	12,366
Basic earnings/(loss) per share attributable to owners of the Company (sen)				
- Basic / Diluted	(3.65)	1.06	1.56	4.90

(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 30 April 2020

	Share capital RM'000	Exchange reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controllig interests RM'000	Total equity RM'000
At 1 May 2018	125,771	4,189	153,551	283,511	-	283,511
Total comprehensive income for the period	-	208	12,169	12,377	(11)	12,366
Dividend paid	-	-	(2,485)	(2,485)	-	(2,485)
Acquisition of subsidiaries	-	-	-	-	513	513
Balance as at 30 April 2019	<u>125,771</u>	<u>4,397</u>	<u>163,235</u>	<u>293,403</u>	<u>502</u>	<u>293,905</u>
Balance as at 1 May 2019	125,771	4,397	163,235	293,403	502	293,905
Adjustments arising from adoption of MFRS 16	-	-	(93)	(93)	-	(93)
Balance as at 1 May 2019 (restated)	<u>125,771</u>	<u>4,397</u>	<u>163,142</u>	<u>293,310</u>	<u>502</u>	<u>293,812</u>
Total comprehensive income for the period	-	26	3,871	3,897	(1,322)	2,575
Dividend paid	-	-	(3,727)	(3,727)	-	(3,727)
Acquisition of subsidiaries	-	-	(2)	(2)	1,551	1,549
Balance as at 30 April 2020	<u>125,771</u>	<u>4,423</u>	<u>163,284</u>	<u>293,478</u>	<u>731</u>	<u>294,209</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 30 April 2020

	Period ended 30 April 2020 RM'000	Period ended 30 April 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,690	15,473
Adjustments for		
Depreciation of property, plant and equipment	12,515	12,099
Depreciation of investment property	121	86
Amortisation of right-of-use assets	3,432	-
Dividend income from quoted shares in Malaysia	(53)	(49)
Fair value adjustments on:		
- Derivatives	-	70
- Other investment	252	-
(Gain)/loss on disposal of property, plant and equipment, net	(182)	142
Property, plant and equipment written off	72	1
Reversal of impairment losses on other receivables	(826)	(144)
Impairment losses/(reversal of impairment loss) on trade receivables, net	5,742	(717)
Other receivable written off	-	77
Inventories written off	75	156
Inventories written down	6,180	28
Interest income	(921)	(931)
Interest expense	6,660	6,253
Unrealised gain on foreign exchange, net	(74)	(146)
Loss on acquisition of subsidiaries	-	24
Share of results of an associate (net)	(5,107)	(2,452)
Operating profit before working capital changes	34,576	29,970
Changes in inventories	(55,076)	4,352
Changes in receivables	1,308	(12,447)
Changes in payables	38,756	8,317
Cash generated from operations	19,564	30,192
Tax refunded	2,213	123
Tax paid	(3,455)	(4,326)
Net cash generated from operating activities	18,322	25,989
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of goodwill	(2,484)	92
Proceeds from disposal of property, plant and equipment	25	474
Purchase of property, plant and equipment	(11,321)	(3,990)
Purchase of investment property	-	(25,000)
Purchase of right-of-use assets	(10,306)	-
Withdrawal of deposits placed with licensed banks	-	14,510
Dividend received	53	49
Investment in an associate	-	(6,000)
Withdrawal/(placement) of short term fund	933	(14,260)
Interest received	921	931
Net cash used in investing activities	(22,179)	(33,194)

LB ALUMINIUM BERHAD (138535-V)
Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 April 2020

	Period ended 30 April 2020 RM'000	Period ended 30 April 2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,727)	(2,485)
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	(21,775)	(4,682)
- Term loan	37,696	(5,000)
- Revolving credit	16,000	20,000
Interest paid	(6,660)	(6,253)
Net cash generated from financing activities	<u>21,534</u>	<u>1,580</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,677	(5,625)
Effect of exchange rate changes on cash and cash equivalents	312	36
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17,027	22,616
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>35,016</u></u>	<u><u>17,027</u></u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed bank	1,000	2,000
Cash and bank balances	<u>34,016</u>	<u>15,027</u>
	35,016	17,027
Less: Deposits with maturity periods of more than three months	<u>-</u>	<u>-</u>
	<u><u>35,016</u></u>	<u><u>17,027</u></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 30 April 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 except for the adoption of MFRS 16.

(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

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

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

Amendments to MFRS 16: Covid-19 Related Rent Concessions

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

MFRS 17: Insurance Contracts

(iv) Effective for the financial periods beginning on or after 1 January 2022

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

(v) 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 16

The financial effects arising from the initial adoption of MFRS 16 are as follows:-

	As previously stated	Effects of adoption of MFRS 16	Restated
	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position as at 30 April 2019			
Non-current Assets			
Property, plant and equipment	194,759	(7,328)	187,431
Right-of-use assets	-	10,240	10,240
Non-current Liabilities			
Lease liabilities	-	3,005	3,005
Equity attributable to ordinary shareholders			
Retained earnings	163,235	(93)	163,142

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 year.

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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 year.

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 year.

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.

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

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

	Current quarter ended		Cumulative period ended	
	30 April		30 April	
	2020	2019	2020	2019
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Amortisation of right-of-use assets	(3,432)	-	(3,432)	-
Depreciation of property, plant and equipment	(3,285)	2,127	(12,515)	(12,099)
Depreciation of investment property	(30)	(31)	(121)	(86)
Dividend income from quoted shares in Malaysia	-	-	53	49
Fair value adjustments on:				
- derivatives	-	16	-	(70)
- other investment	(178)	(11)	(252)	-
Gain/(loss) on disposal of property, plant and equipment, net	157	(142)	182	(142)
Loss on acquisition of subsidiaries	-	(24)	-	(24)
Property, plant and equipment (written off)/written back	(16)	2,397	(72)	(1)
Reversal of impairment losses on other receivables	826	144	826	144
(Impairment losses)/reversal of impairment loss on trade receivables, net	(4,698)	966	(5,742)	717
Other receivable written off	-	(77)	-	(77)
Inventories written off	12	(37)	(75)	(156)
Inventories written down	(6,180)	(106)	(6,180)	(28)
Interest income	205	243	921	931
Interest expense	(1,561)	(1,559)	(6,660)	(6,253)
Foreign exchange gain/(loss), net				
- realised	337	(187)	322	527
- unrealised	156	109	74	146

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Notes To The Financial Statements
For the financial period ended 30 April 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	458,184	-	458,184
Segment result	10,527	(2,284)	8,243
Share of results of an associate (net)	-	5,107	5,107
	10,527	2,823	13,350
Finance costs			(6,660)
Taxation			(4,141)
Profit after taxation			2,549
Other information			
Segment assets	454,866	115,358	570,224
Investment in an associate	-	13,559	13,559
	454,866	128,917	583,783
Current tax assets			990
Consolidated total assets			584,773
Segment liabilities	195,574	73,641	269,215
Current tax liabilities			837
Deferred tax liabilities			20,512
Consolidated total liabilities			290,564

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Notes To The Financial Statements
For the financial period ended 30 April 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	283,610	-	-	283,610
- Export	132,763	41,811	-	174,574
Inter-segment	32,816	-	(32,816)	-
Total revenue	449,189	41,811	(32,816)	458,184
Segment result	6,485	1,758		8,243
Finance costs				(6,660)
Share of results of an associate (net)				5,107
Taxation				(4,141)
Profit after taxation				2,549

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 year.

LB ALUMINIUM BERHAD (138535-V)
Notes To The Financial Statements
For the financial period ended 30 April 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	
	30 April 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	3,420	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	241	81

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For the financial period ended 30 April 2020

A14 Capital commitments

	Group	
	30 April 2020	30 April 2019
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	220	12,835
Authorised but not contracted for	10,105	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 30 April		Cumulative period ended 30 April	
	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	13,529	23,196	82,494	110,291
- Sales of aluminium billets	-	-	1,660	-
Ritecorp Sdn Bhd				
- Rental of premises	15	15	60	60
	13,544	23,211	84,214	110,351

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 2020

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>4th Quarter 2020 ("4Q2020")</u>			
Revenue			
- Malaysia	45,075	-	45,075
- Overseas	30,967	-	30,967
Total Revenue	76,042	-	76,042
Profit/(Loss) From Operations	(4,968)	(146)	(5,114)
Net Other Operating Income/(Expenses)	(3,123)	93	(3,030)
Finance Costs	(1,558)	(3)	(1,561)
Share of Results of an Associate (Net)	-	945	945
Profit/(Loss) Before Taxation	(9,649)	889	(8,760)
Taxation	(406)	-	(406)
Profit/(Loss) After Taxation	(10,055)	889	(9,166)
<u>4th Quarter 2019 ("4Q2019")</u>			
Revenue			
- Malaysia	79,490	-	79,490
- Overseas	33,543	-	33,543
Total Revenue	113,033	-	113,033
Profit/(Loss) From Operations	2,831	7	2,838
Net Other Operating Income/(Expenses)	235	-	235
Finance Costs	(1,559)	-	(1,559)
Share of Results of an Associate (Net)	-	1,802	1,802
Profit Before Taxation	1,507	1,809	3,316
Taxation	(642)	(2)	(644)
Profit After Taxation	865	1,807	2,672
<u>Variance</u>			
Total Revenue	-32.7%	-	-32.7%
Profit/(Loss) From Operations	N/A	N/A	N/A
Profit/(Loss) Before Taxation	N/A	-50.8%	N/A
Profit/(Loss) After Taxation	N/A	-50.8%	N/A

N/A – Not applicable due to incomparability.

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B1 Review of performance (continued)

For the 12 months period ended 30 April 2020

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>Year To Date FY2020 ("YTD2020")</u>			
Revenue			
- Malaysia	283,610	-	283,610
- Overseas	174,574	-	174,574
Total Revenue	458,184	-	458,184
Profit/(Loss) From Operations	13,994	(2,545)	11,449
Net Other Operating Income/(Expenses)	(3,467)	261	(3,206)
Finance Costs	(6,494)	(166)	(6,660)
Share of Results of an Associate (Net)	-	5,107	5,107
Profit Before Taxation	4,033	2,657	6,690
Taxation	(4,141)	-	(4,141)
Profit/(Loss) After Taxation	(108)	2,657	2,549
<u>Year To Date FY2019 ("YTD2019")</u>			
Revenue			
- Malaysia	351,677	-	351,677
- Overseas	181,197	-	181,197
Total Revenue	532,874	-	532,874
Profit/(Loss) From Operations	16,887	(39)	16,848
Net Other Operating Income/(Expenses)	2,426	-	2,426
Finance Costs	(6,253)	-	(6,253)
Share of Results of an Associate (Net)	-	2,452	2,452
Profit Before Taxation	13,060	2,413	15,473
Taxation	(3,310)	(5)	(3,315)
Profit After Taxation	9,750	2,408	12,158
<u>Variance</u>			
Total Revenue	-14.0%	-	-14.0%
Profit/(Loss) From Operations	-17.1%	N/A	-32.0%
Profit Before Taxation	-69.1%	10.1%	-56.8%
Profit/(Loss) After Taxation	N/A	10.3%	-79.0%

N/A – Not applicable due to incomparability.

B1 Review of performance (continued)

4Q2020 vs 4Q2019

During the quarter of 4Q2020, the Group's operations had been halted for nearly one and a half months starting from 18 March 2020 to 30 April 2020 under the Movement Control Order ("MCO") implemented by the Malaysian government to contain the spread of COVID-19 pandemic. Hence, the Group had reported a weaker result as compared to the preceding year quarter.

The Group reported revenue of RM76.04 million for 4Q2020 compared to RM113.03 million for 4Q2019. The decrease of 32.7% was due mainly to lower contribution from the aluminium segment as a result of the MCO.

The Group reported loss before taxation of RM8.76 million for the quarter under review compared to profit before taxation of RM3.32 million for the corresponding quarter last year. The loss was contributed by the aluminium segment due mainly to the following:

- a) Stoppage of operation for nearly one and a half months because of the MCO;
- b) Inventories written down of RM6.18 million as aluminium prices had declined significantly in April 2020; and
- c) Impairment losses on trade receivable of RM4.70 million as a consequence of the MCO. This amount is reported under net operating expenses.

The share of results of an associate for 4Q2020 amounted to RM945,000 compared to 4Q2019 of RM1.80 million. The decline in the results was due mainly to slower work progress achieved in the current year quarter because of the MCO.

In line with the above, the Group reported loss after taxation of RM9.17 million in 4Q2020.

YTD2020 vs YTD2019

The Group reported revenue of RM458.18 million for YTD2020 compared to RM532.87 million for YTD2019. The decrease of 14.0% was due mainly to the MCO.

For the financial year ended 30 April 2020, the Group reported a profit before taxation of RM4.03 million for the aluminium segment compared to RM13.06 million for the previous year. The reason for the substantial drop is due to the impact of the fourth quarter results which is explained above.

B1 Review of performance (continued)

For the property sector, the net results are about the same as the preceding year. The property development subsidiaries suffered a loss of RM2.45 million which is mitigated by the profit contribution from the associate. The share of results of an associate for YTD2020 amounted to RM5.11 million compared to YTD2019 of RM2.45 million. The better performance was due mainly to higher work progress achieved in the financial year under review.

In line with the above, the Group reported profit before taxation and profit after taxation of RM6.69 million and RM2.55 million respectively in YTD2020.

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B2 Variance of results against preceding quarter

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>4th Quarter 2020 ("4Q2020")</u>			
Revenue			
- Malaysia	45,075	-	45,075
- Overseas	30,967	-	30,967
Total Revenue	76,042	-	76,042
Profit/(Loss) From Operations	(4,968)	(146)	(5,114)
Net Other Operating Income/(Expenses)	(3,123)	93	(3,030)
Finance Costs	(1,558)	(3)	(1,561)
Share of Results of an Associate (Net)	-	945	945
Profit/(Loss) Before Taxation	(9,649)	889	(8,760)
Taxation	(406)	-	(406)
Profit/(Loss) After Taxation	(10,055)	889	(9,166)
<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>Variance</u>			
Total Revenue	-39.3%	-	-39.3%
Profit/(Loss) From Operations	N/A	-54.5%	N/A
Profit/(Loss) Before Taxation	N/A	-14.8%	N/A
Profit/(Loss) After Taxation	N/A	-14.8%	N/A

N/A – Not applicable due to incomparability.

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B2 Variance of results against preceding quarter (continued)

The Group reported revenue of RM76.04 million for 4Q2020 compared to RM125.35 million for 3Q2020. The decrease of 39.3% was due mainly to lower sales volume as a result of the MCO.

The Group reported loss before taxation of RM8.76 million for the quarter under review compared to profit before taxation of RM5.37 million for the preceding quarter. The reasons for the loss are explained in B1 above.

The share of results of an associate for 4Q2020 amounted to RM945,000 compared to 3Q2020 of RM1.44 million.

In line with the above, the Group reported loss after taxation of RM9.17 million for 4Q2020 compared to a profit after taxation of RM4.04 million for the preceding quarter.

B3 Current year prospects

Global economy

The global economy had been severely impacted by the prolonged COVID-19 pandemic in the first quarter of 2020. During the quarter, most countries had implemented containment measures including border closure and city lockdown, domestic travel restrictions, closure of non-essential businesses and social distancing. As a result of the containment measures, the global economy had seen a sharp decline in GDP growth. Going forward, the global economy is expected to remain sluggish for the remaining of the year with gradual recovery starting from 2021.

Malaysian economy

On the home front, the Malaysian economy reported its slowest quarterly growth in the decade at 0.7%. The sharp decline compared to previous quarter (4Q2019: 3.6%) was due mainly to the implementation of the Movement Control Order (“MCO”) by the Malaysian government started from 18 March 2020. Some of the measures enforced under the MCO include the prohibition of business activities for non-essential services, restriction of interstate travelling, closure of government agencies as well as introduction of mandatory social distancing. Looking forward, the local economy is expected to contract in the next quarter before the recovery starts in the second half of 2020.

Prospect for the Group

To date, the Group’s operations have resumed to above 70% of the production level prior to the MCO. We expect sales order to gradually increase for the remaining of the year in tandem with the economy recovery as a result of the relaxation of the MCO by Malaysian government.

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B3 Current year prospects (continued)

Meanwhile, we have implemented cost cutting measures including laying off contract workers and hiring freeze as well as adopting other steps to reduce operational costs and improve efficiency. We are also closely monitoring our financial position especially our cash flow to ensure we meet our obligations with our suppliers and bankers. In addition, we are constantly engaging with our customers to ensure that their outstanding debts to us are settled.

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

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Taxation

	Current quarter ended 30 April		Cumulative period ended 30 April	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	(990)	(1,237)	4,035	2,353
Deferred tax expenses	1,396	1,881	106	962
	406	644	4,141	3,315

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

B6 Status of corporate proposals announced

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

	30 April 2020	30 April 2019
	RM'000	RM'000
Short term borrowings (unsecured)		
Bankers' acceptances	88,415	110,190
Revolving credit	36,000	20,000
Post-shipment buyer loan	7,500	-
Term loan	-	5,000
	131,915	135,190
Long term borrowings		
Term loan (secured)	35,196	-
	35,196	-
Total Borrowings	167,111	135,190

All borrowings are denominated in Malaysian Ringgit.

B8 Changes in material litigation

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

B9 Dividend

The Directors have recommended a first and final dividend of 1.00 sen per ordinary share (2019: 1.50 sen per ordinary share) amounting to RM2,484,863 (2019: RM3,727,295) in respect of the Company's current financial year ended 30 April 2020.

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.

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B 10 Earnings per share

	Current quarter	Cumulative period
Net profit/(loss) for the period attributable to ordinary shareholders (RM'000)	(9,075)	3,871
<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)	(3.65)	1.56

There are no potential dilution effects on ordinary shares of the Company for the current quarter under review and financial year.

By Order of the Board

Yap Sit Lee
Company Secretary
Date: 30 June 2020