

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 July 2020**

	<b>As at 31 July 2020 RM'000</b>	<b>As at 30 April 2020 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	190,544	193,193
Investment property	24,763	24,793
Right-of-use assets	11,244	11,875
Goodwill on consolidation	2,490	2,490
Investment in an associate	14,895	13,559
Other investment	903	851
	<u>244,839</u>	<u>246,761</u>
Current assets		
Inventories	124,464	153,910
Trade receivables	92,477	88,189
Other receivables	48,606	46,586
Current tax assets	300	955
Short term fund	28,468	13,327
Deposits with licensed bank	10,680	1,000
Cash and bank balances	18,917	34,011
	<u>323,912</u>	<u>337,978</u>
<b>TOTAL ASSETS</b>	<b><u>568,751</u></b>	<b><u>584,739</u></b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,555	4,422
Retained earnings	167,583	163,259
Equity attributable to owners of the Company	<u>297,909</u>	<u>293,452</u>
Non-controlling interests	751	732
<b>Total equity</b>	<b><u>298,660</u></b>	<b><u>294,184</u></b>
Non-current liabilities		
Bank borrowings	35,000	35,000
Deferred tax liabilities	19,451	20,522
Lease liabilities	3,306	3,040
	<u>57,757</u>	<u>58,562</u>
Current liabilities		
Trade payables	24,627	58,340
Other payables	51,524	39,419
Bank borrowings (unsecured)	133,323	131,915
Current tax liabilities	1,830	821
Lease liabilities	1,030	1,498
	<u>212,334</u>	<u>231,993</u>
<b>TOTAL LIABILITIES</b>	<b>270,091</b>	<b>290,555</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>568,751</u></b>	<b><u>584,739</u></b>
	<b>RM</b>	<b>RM</b>
Net assets per share	<u>1.20</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 2020)

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income**  
**For the financial period ended 31 July 2020**

	Current quarter ended		Cumulative period ended	
	31 July 2020 RM'000	31 July 2019 RM'000	31 July 2020 RM'000	31 July 2019 RM'000
Revenue	112,965	126,810	112,965	126,810
Operating expenses	(104,721)	(120,377)	(104,721)	(120,377)
Profit from operations	8,244	6,433	8,244	6,433
Net other operating expense	(2,441)	(37)	(2,441)	(37)
Profit before interest and tax	5,803	6,396	5,803	6,396
Finance costs	(1,321)	(1,670)	(1,321)	(1,670)
Share of results of an associate (net)	1,336	953	1,336	953
Profit before taxation	5,818	5,679	5,818	5,679
Taxation	(1,475)	(1,095)	(1,475)	(1,095)
Net profit for the period	4,343	4,584	4,343	4,584
Other comprehensive income				
- Foreign currency translations	133	(72)	133	(72)
Total comprehensive income for the period, net of tax	4,476	4,512	4,476	4,512
Net profit/(loss) for the period attributable to:				
- Owners of the Company	4,324	4,586	4,324	4,586
- Non-controlling interests	19	(2)	19	(2)
Net profit for the period	4,343	4,584	4,343	4,584
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	4,457	4,514	4,457	4,514
- Non-controlling interests	19	(2)	19	(2)
Total comprehensive income/(loss) for the period	4,476	4,512	4,476	4,512
Basic earnings per share attributable to owners of the Company (sen)				
- Basic / Diluted	1.74	1.85	1.74	1.85

(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 2020)

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the financial period ended 31 July 2020**

	<b>Share capital RM'000</b>	<b>Exchange reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Attributable to owners of the Company RM'000</b>	<b>Non-controlling interests RM'000</b>	<b>Total equity RM'000</b>
At 1 May 2019	125,771	4,397	163,235	293,403	502	293,905
Total comprehensive income for the period	-	(72)	4,586	4,514	(2)	4,512
Balance as at 31 July 2019	<u>125,771</u>	<u>4,325</u>	<u>167,821</u>	<u>297,917</u>	<u>500</u>	<u>298,417</u>
Balance as at 1 May 2020	125,771	4,422	163,259	293,452	732	294,184
Total comprehensive income for the period	-	133	4,324	4,457	19	4,476
Balance as at 31 July 2020	<u>125,771</u>	<u>4,555</u>	<u>167,583</u>	<u>297,909</u>	<u>751</u>	<u>298,660</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 2020)

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 31 July 2020**

	<b>Period ended 31 July 2020 RM'000</b>	<b>Period ended 31 July 2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,818	5,679
Adjustments for		
Depreciation of property, plant and equipment	3,145	3,063
Depreciation of investment property	30	30
Amortisation of right-of-use assets	631	-
Fair value adjustments on other investment	(53)	32
Property, plant and equipment written off	16	2
Impairment losses on receivables, net	3,386	523
Inventories written off	61	11
Reversal of inventories written down	-	(29)
Inventories written down	40	-
Interest income	(207)	(123)
Interest expense	1,321	1,670
Unrealised gain on foreign exchange, net	45	179
Share of results of an associate (net)	(1,336)	(953)
Operating profit before working capital changes	12,897	10,084
Changes in inventories	29,346	11,689
Changes in receivables	(9,984)	(21,011)
Changes in payables	(21,188)	(11,177)
Cash generated from/(used in) operations	11,071	(10,415)
Tax refunded	-	14
Tax paid	(886)	(1,118)
Net cash generated from/(used in) operating activities	10,185	(11,519)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(497)	(5,699)
Payment of lease liabilities	(202)	-
Placement of short term fund	(15,141)	(153)
Interest received	207	123
Net cash used in investing activities	(15,633)	(5,729)

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 31 July 2020**

	<b>Period ended 31 July 2020 RM'000</b>	<b>Period ended 31 July 2019 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown/(Repayment) of:		
- Bankers' acceptances, net	1,060	(2,980)
- Revolving credit	-	20,000
Interest paid	<u>(1,321)</u>	<u>(1,670)</u>
Net cash (used in)/generated from financing activities	<u>(261)</u>	<u>15,350</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,709)</b>	<b>(1,898)</b>
Effect of exchange rate changes on cash and cash equivalents	(53)	(119)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>35,011</b>	<b>17,027</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u><u>29,249</u></u></b>	<b><u><u>15,010</u></u></b>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>		
Deposits with licensed bank	10,680	5,000
Cash and bank balances	18,917	10,208
Bank overdrafts	<u>(348)</u>	<u>(198)</u>
	<u><u>29,249</u></u>	<u><u>15,010</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 2020)

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
**For the financial period ended 31 July 2020**

**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 2020. 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 2020.

**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 2020 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 2020**

Amendments to References to the Conceptual Framework in MFRS Standards  
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

**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 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

**(ii) Effective for the financial periods beginning on or after 1 January 2023**

MFRS 17: Insurance Contracts

Amendments to 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 [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
**For the financial period ended 31 July 2020**

**A3 Qualification of financial statements**

There was no qualification in the audited financial statements for the financial year ended 30 April 2020.

**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.

**A6 Change in estimates**

There were no significant changes in estimates that have a material effect for the current quarter under review.

**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.

**A8 Dividend paid**

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



**LB ALUMINIUM BERHAD [198501006093 (138535-V)]****Notes To The Financial Statements****For the financial period ended 31 July 2020****A9 Notes to the Statements of Profit or Loss and Other Comprehensive Income**

	Current quarter ended		Cumulative period ended	
	31 July		31 July	
	2020	2019	2020	2019
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(3,145)	(3,063)	(3,145)	(3,063)
Depreciation of investment property	(30)	(30)	(30)	(30)
Amortisation of right-of-use assets	(631)	-	(631)	-
Fair value adjustments on other investment	53	(32)	53	(32)
Property, plant and equipment written off	(16)	(2)	(16)	(2)
Impairment losses on receivables, net	(3,386)	(523)	(3,386)	(523)
Inventories written off	(61)	(11)	(61)	(11)
Reversal of inventories written down	-	29	-	29
Inventories written down	(40)	-	(40)	-
Interest income	207	123	207	123
Interest expense	(1,321)	(1,670)	(1,321)	(1,670)
Foreign exchange gain/(loss), net				
- realised	(276)	102	(276)	102
- unrealised	(45)	(179)	(45)	(179)

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
**For the financial period ended 31 July 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**

	<b>Aluminium</b>	<b>Property</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>			
External customers	112,965	-	112,965
Segment result	5,938	(135)	5,803
Share of results of an associate (net)	-	1,336	1,336
	5,938	1,201	7,139
Finance costs			(1,321)
Taxation			(1,475)
Profit after taxation			4,343
<b>Other information</b>			
Segment assets	446,062	107,494	553,556
Investment in an associate	-	14,895	14,895
	446,062	122,389	568,451
Current tax assets			300
Consolidated total assets			568,751
Segment liabilities	176,750	72,060	248,810
Current tax liabilities			1,830
Deferred tax liabilities			19,451
Consolidated total liabilities			270,091

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
**For the financial period ended 31 July 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.

	<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	66,154	-	-	66,154
- Export	37,276	9,535	-	46,811
Inter-segment	7,258	-	(7,258)	-
Total revenue	110,688	9,535	(7,258)	112,965
Segment result	3,830	1,973		5,803
Finance costs				(1,321)
Share of results of an associate (net)				1,336
Taxation				(1,475)
Profit after taxation				4,343

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.

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
**For the financial period ended 31 July 2020**

**A12 Changes in composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

**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 July 2020</b>	<b>30 April 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Corporate guarantees given to banks for credit facilities granted to subsidiaries - unsecured</b>		
-Limit of guarantee	14,100	14,100
-Amount utilized	4,630	3,420
<b>Corporate guarantees given to third parties for supplies of goods and services to a subsidiary - unsecured</b>		
-Limit of guarantee	2,000	2,000
-Amount utilized	46	241

**A14 Capital commitments**

	<b>Group</b>	
	<b>31 July 2020</b>	<b>30 April 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>		
Contracted but not provided for	4,440	220
Authorised but not contracted for	13,672	10,105

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
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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 are as follows:

Transaction parties and transaction details	Current quarter ended 31 July		Cumulative period ended 31 July	
	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	17,178	19,702	17,178	19,702
- Sales of aluminium billets	-	1,660	-	1,660
Ritecorp Sdn Bhd				
- Rental of premises	15	15	15	15
	17,193	21,377	17,193	21,377

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

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
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**B Additional information required by the Bursa Securities' Listing Requirements**

**B1 Review of performance**

**Current quarter ended 31 July 2020**

	<b>Aluminium</b>	<b>Property</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>1st Quarter 2021 ("1Q2021")</u></b>			
Revenue			
- Malaysia	<b>66,154</b>	-	<b>66,154</b>
- Overseas	<b>46,811</b>	-	<b>46,811</b>
Total Revenue	<b>112,965</b>	-	<b>112,965</b>
Profit/(Loss) From Operations	<b>8,395</b>	<b>(151)</b>	<b>8,244</b>
Net Other Operating Income/(Expenses)	<b>(2,457)</b>	<b>16</b>	<b>(2,441)</b>
Finance Costs	<b>(1,319)</b>	<b>(2)</b>	<b>(1,321)</b>
Share of Results of an Associate (Net)	-	<b>1,336</b>	<b>1,336</b>
Profit Before Taxation	<b>4,619</b>	<b>1,199</b>	<b>5,818</b>
Taxation	<b>(1,475)</b>	-	<b>(1,475)</b>
Profit After Taxation	<b>3,144</b>	<b>1,199</b>	<b>4,343</b>
<b><u>1st Quarter 2020 ("1Q2020")</u></b>			
Revenue			
- Malaysia	78,947	-	78,947
- Overseas	47,863	-	47,863
Total Revenue	126,810	-	126,810
Profit/(Loss) From Operations	6,437	(4)	6,433
Net Other Operating Income/(Expenses)	(37)	-	(37)
Finance Costs	(1,670)	-	(1,670)
Share of Results of an Associate (Net)	-	953	953
Profit Before Taxation	4,730	949	5,679
Taxation	(1,095)	-	(1,095)
Profit After Taxation	3,635	949	4,584
<b><u>Variance</u></b>			
Total Revenue	-10.9%	N/A	-10.9%
Profit/(Loss) From Operations	30.4%	N/A	28.1%
Profit Before Taxation	-2.4%	26.3%	2.5%
Profit After Taxation	-13.5%	26.3%	-5.3%

*N/A – Not applicable due to incomparability.*

**B1 Review of performance (continued)**

**1Q2021 vs 1Q2020**

The Group reported revenue of RM112.97 million for 1Q2021 (1Q2020: RM126.81 million). The decrease of 10.9% was due mainly to lower contribution from the aluminium segment as a result of lower average selling prices and lower sales volume.

The Group reported profit before taxation of RM5.82 million for 1Q2021 (1Q2020: RM5.68 million). The increase of 2.5% was due mainly to better margins from the aluminium segment as well as higher contribution from the associate.

The share of results of an associate for 1Q2021 amounted to RM1.34 million (1Q2020: RM0.95 million). The increase was due mainly to higher work progress achieved in the current quarter under review.

Profit after taxation for 1Q2021 was RM4.34 million, a decline of 5.3% compared to the corresponding quarter last year due to higher effective tax rate for the quarter under review.

**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
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**B2 Variance of results against preceding quarter**

	<b>Aluminium</b>	<b>Property</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>1st Quarter 2021 ("1Q2021")</u></b>			
Revenue			
- Malaysia	<b>66,154</b>	-	<b>66,154</b>
- Overseas	<b>46,811</b>	-	<b>46,811</b>
Total Revenue	<b>112,965</b>	-	<b>112,965</b>
Profit/(Loss) From Operations	<b>8,395</b>	(151)	<b>8,244</b>
Net Other Operating Income/(Expenses)	<b>(2,457)</b>	16	<b>(2,441)</b>
Finance Costs	<b>(1,319)</b>	(2)	<b>(1,321)</b>
Share of Results of an Associate (Net)	-	<b>1,336</b>	<b>1,336</b>
Profit Before Taxation	<b>4,619</b>	<b>1,199</b>	<b>5,818</b>
Taxation	<b>(1,475)</b>	-	<b>(1,475)</b>
Profit After Taxation	<b>3,144</b>	<b>1,199</b>	<b>4,343</b>
<b><u>4th Quarter 2020 ("4Q2020")</u></b>			
Revenue			
- Malaysia	45,075	-	45,075
- Overseas	30,967	-	30,967
Total Revenue	76,042	-	76,042
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)
<b><u>Variance</u></b>			
Total Revenue	48.6%	N/A	48.6%
Profit/(Loss) From Operations	N/A	3.4%	N/A
Profit Before Taxation	N/A	34.9%	N/A
Profit After Taxation	N/A	34.9%	N/A

N/A – Not applicable due to incomparability.



**LB ALUMINIUM BERHAD [198501006093 (138535-V)]**  
**Notes To The Financial Statements**  
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**B2 Variance of results against preceding quarter (continued)**

The Group reported revenue of RM112.97 million for 1Q2021 (4Q2020: RM76.04 million). The revenue is not comparable with that of the preceding quarter due to Movement Control Order (“MCO”) as the Group has to stop operation from 18 March 2020 until the end of the financial year 30 April 2020.

The Group reported profit before taxation of RM5.82 million (4Q2020: loss before taxation of RM8.76 million). The variance was due mainly to stoppage of operation, aluminium inventories written down and higher impairment losses on trade receivables recorded in the last quarter due to MCO.

The share of results of an associate for 1Q2021 amounted to RM1.34 million (4Q2020: RM0.95 million).

In line with the above, the Group reported profit after taxation of RM4.34 million for 1Q2021 (4Q2020: loss after taxation of RM9.17 million).

**B3 Current year prospects**

Global economy

The global economy contracted in the second quarter of 2020 due mainly to the COVID-19 pandemic. During the quarter, major economies including the United States and Euro zone were severely affected by business activity disruption resulting from containment measures such as travel restriction and nationwide lockdowns. Going forward, the global economy is expected to suffer a recession in 2020 but the degree of the contraction will be mitigated by government stimulus packages as well as the gradual re-opening of the respective economies.

Malaysian economy

On the home front, the Malaysian economy reported its first contraction since 2009 at -17.1% (1Q2020: GDP growth of 0.7%) for the second quarter of 2020. The contraction was due mainly to the impact of the containment measures implemented during the MCO that restricted business and consumption activities. Looking forward, the local economy is expected to recover gradually in the second half of 2020 following the resumption of business activities starting from May 2020 after the country entered into the recovery phase of the MCO.

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**B3 Current year prospects (continued)**

Prospect for the Group

Today, the Group's production have resumed to above 90% of the production level prior to the MCO. The sales orders are expected to further improve for the remaining of the year following the recovery of local economy.

The weakening of the US Dollar vis-a-vis Malaysian Ringgit and the recovery of global aluminium prices are expected to reduce our margins as they will reduce export revenue and increase production cost respectively. As an effort to safeguard our margins, we will increase our selling prices whenever necessary and at the same time improve efficiency and reduce operational costs.

Barring unforeseen circumstances, the Board is 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 31 July		Cumulative period ended 31 July	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	2,546	1,527	2,546	1,527
Deferred tax expenses	(1,071)	(432)	(1,071)	(432)
	1,475	1,095	1,475	1,095

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

**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**

	<b>31 July 2020</b>	<b>30 April 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings (unsecured)</b>		
Bankers' acceptances	96,975	95,915
Revolving credit	36,000	36,000
Bank overdrafts	348	-
	<b>133,323</b>	<b>131,915</b>
<b>Long term borrowings</b>		
Term loan (secured)	35,000	35,000
	<b>35,000</b>	<b>35,000</b>
<b>Total Borrowings</b>	<b>168,323</b>	<b>166,915</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.

**B9 Dividend**

The Directors do not recommended the payment of any interim dividend in respect of the current quarter under review.

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**B 10 Earnings per share**

	<b>Current quarter</b>	<b>Cumulative period</b>
Net profit for the period attributable to ordinary shareholders (RM'000)	4,324	4,324
<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)	1.74	1.74

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

By Order of the Board

Wong Wai Foong  
Company Secretary  
Date: 29 September 2020