

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Financial Position
As at 31 October 2021

	As at 31 October 2021 RM'000	As at 30 April 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	184,261	188,507
Right-of-use assets	10,170	10,684
Goodwill on consolidation	2,490	2,490
Investment in an associate	27,140	24,539
Other investment	1,271	1,596
Deferred tax assets	25	15
	<u>225,357</u>	<u>227,831</u>
Current assets		
Inventories	140,690	114,999
Property development expenditure	186,946	71,682
Trade receivables	112,850	115,064
Other receivables	14,930	49,038
Current tax assets	354	293
Short-term fund	28,033	27,791
Deposits with licensed bank	8,400	18,710
Cash and bank balances	20,390	17,760
	<u>512,593</u>	<u>415,337</u>
Asset classified as held for sale	24,672	24,672
	<u>537,265</u>	<u>440,009</u>
TOTAL ASSETS	<u>762,622</u>	<u>667,840</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,495	4,514
Retained earnings	211,421	201,553
Equity attributable to owners of the Company	<u>341,687</u>	<u>331,838</u>
Non-controlling interests	450	681
Total equity	<u>342,137</u>	<u>332,519</u>
Non-current liabilities		
Amount owing to a corporate shareholder of a subsidiary	9,411	9,271
Bank borrowings	39,180	39,180
Deferred tax liabilities	18,028	20,013
Lease liabilities	1,867	2,275
	<u>68,486</u>	<u>70,739</u>
Current liabilities		
Trade payables	102,907	54,084
Other payables	68,045	55,209
Derivative financial liabilities	-	31
Bank borrowings	174,478	149,505
Current tax liabilities	5,199	4,258
Lease liabilities	1,370	1,495
	<u>351,999</u>	<u>264,582</u>
TOTAL LIABILITIES	<u>420,485</u>	<u>335,321</u>
TOTAL EQUITY AND LIABILITIES	<u>762,622</u>	<u>667,840</u>
	RM	RM
Net assets per share	<u>0.79</u>	<u>0.76</u> ^

^ Adjusted to reflect the Bonus Issue of 186,364,365 new ordinary shares which was completed on 30 August 2021.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2021)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 31 October 2021

	Current quarter ended		Cumulative period ended	
	31 October 2021	31 October 2020	31 October 2021	31 October 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	158,844	125,092	273,388	238,057
Operating expenses	(149,975)	(115,070)	(259,630)	(219,792)
Profit from operations	8,869	10,022	13,758	18,265
Net other operating income/(expense)	553	(353)	(1,886)	(2,793)
Profit before interest and tax	9,422	9,669	11,872	15,472
Finance costs	(1,347)	(886)	(2,672)	(2,206)
Share of results of an associate (net)	477	3,351	2,600	4,687
Profit before taxation	8,552	12,134	11,800	17,953
Taxation	(2,370)	(2,827)	(3,143)	(4,301)
Net profit for the period	6,182	9,307	8,657	13,652
Other comprehensive expenses				
- Foreign currency translations	(107)	(230)	(19)	(98)
Total comprehensive income for the period, net of tax	6,075	9,077	8,638	13,554
Net profit/(loss) for the period attributable to:				
- Owners of the Company	6,827	9,333	9,868	13,659
- Non-controlling interests	(645)	(26)	(1,211)	(7)
Net profit for the period	6,182	9,307	8,657	13,652
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	6,720	9,103	9,849	13,561
- Non-controlling interests	(645)	(26)	(1,211)	(7)
Total comprehensive income for the period	6,075	9,077	8,638	13,554
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	1.57	2.15 *	2.27	3.14 *

**Adjusted to reflect the Bonus Issue of 186,364,365 new ordinary shares which was completed on 30 August 2021.*

(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 2021)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 October 2021

	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 2020	125,771	4,422	163,259	293,452	732	294,184
Total comprehensive income/(loss) for the period	-	(98)	13,659	13,561	(7)	13,554
Dividend paid	-	-	(2,485)	(2,485)	-	(2,485)
Balance as at 31 October 2020	<u>125,771</u>	<u>4,324</u>	<u>174,433</u>	<u>304,528</u>	<u>725</u>	<u>305,253</u>
Balance as at 1 May 2021	125,771	4,514	201,553	331,838	681	332,519
Total comprehensive income/(loss) for the period	-	(19)	9,868	9,849	(1,211)	8,638
Subscription of interest in a subsidiary by non-controlling interest	-	-	-	-	980	980
Balance as at 31 October 2021	<u>125,771</u>	<u>4,495</u>	<u>211,421</u>	<u>341,687</u>	<u>450</u>	<u>342,137</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 2021)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2021

	Period ended 31 October 2021 RM'000	Period ended 31 October 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,800	17,953
Adjustments for:		
Depreciation of property, plant and equipment	6,169	6,293
Depreciation of investment property	-	61
Amortisation of right-of-use assets	783	709
Bad debts written off (net)	7	-
Fair value adjustment on derivative	(31)	-
Fair value adjustment on other investment	326	(116)
Property, plant and equipment written off	4	23
Impairment losses on trade receivables (net)	3,535	4,352
Impairment losses on other receivables (net)	3	-
Inventories written off	91	67
(Reversal of inventories written down)/ Inventories written down (net)	(4)	34
Interest income	(374)	(369)
Interest expense	2,672	2,206
Unrealised (gain)/loss on foreign exchange (net)	(319)	137
Share of results of an associate (net)	(2,600)	(4,687)
Operating profit before working capital changes	22,062	26,663
Changes in inventories	(25,778)	25,999
Changes in property development expenditure	(115,264)	(6,722)
Changes in receivables	32,661	(10,197)
Changes in payables	62,836	(11,334)
Cash (used in)/generated from operations	(23,483)	24,409
Tax paid	(4,258)	(1,546)
Net cash (used in)/generated from operating activities	(27,741)	22,863
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,930)	(1,990)
Net change in short-term fund	(242)	(7,848)
Interest received	374	369
Net cash used in investing activities	(1,798)	(9,469)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2021

	Period ended 31 October 2021 RM'000	Period ended 31 October 2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(2,485)
Net drawdown/(repayment) of:		
- Bankers' acceptances	16,400	(6,627)
- Revolving credit	(4,000)	-
Payment for lease liabilities	(802)	(680)
Interest paid	(2,672)	(2,206)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	8,926	(11,998)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(20,613)	1,396
Effect of exchange rate changes on cash and cash equivalents	360	(367)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	31,865	35,011
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>11,612</u>	<u>36,040</u>
	<hr/>	<hr/>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed bank	8,400	19,750
Cash and bank balances	20,390	16,290
Bank overdrafts	(17,178)	-
	<hr/>	<hr/>
	<u>11,612</u>	<u>36,040</u>
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(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2021)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 2021

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 2021. 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 2021.

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 2021 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 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
IFRIC Agenda Decision on MFRS 123: Borrowing Costs

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Notes To The Financial Statements
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A2 Significant accounting policies (continued)

(b) MFRSs (Including the Consequential Amendments) issued but not yet effective

The following MFRSs (including the consequential amendments) issued by the MASB are relevant to the Group. However, they have not been early adopted in this set of financial statements.

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

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
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(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. The adoptions of these new accounting standards are not expected to have any material effect to the financial statements of the Group upon their initial application.

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Notes To The Financial Statements
For the financial period ended 31 October 2021

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2021.

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 2.50 sen per ordinary share in respect of the financial year ended 30 April 2021 amounting to RM10,871,261 was paid on 16 November 2021.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]**Notes To The Financial Statements****For the financial period ended 31 October 2021****A9 Notes to the Statements of Profit or Loss and Other Comprehensive Income**

	Current quarter ended		Cumulative period ended	
	31 October		31 October	
	2021	2020	2021	2020
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(3,055)	(3,148)	(6,169)	(6,293)
Depreciation of investment property	-	(31)	-	(61)
Amortisation of right-of-use assets	(393)	(78)	(783)	(709)
Bad debts written off (net)	(7)	-	(7)	-
Fair value adjustment on derivative	-	-	31	-
Fair value adjustment on other investment	52	63	(326)	116
Property, plant and equipment written off	-	(7)	(4)	(23)
Impairment losses on trade receivables (net)	(383)	(966)	(3,535)	(4,352)
Impairment losses on other receivables (net)	(9)	-	(3)	-
Inventories written off	(36)	(6)	(91)	(67)
Reversal of inventories written down/(Inventories written down) (net)	2	6	4	(34)
Interest income	160	162	374	369
Interest expense	(1,347)	(886)	(2,672)	(2,206)
Foreign exchange gain/(loss) (net)				
- realised	101	(252)	292	(528)
- unrealised	159	(92)	319	(137)

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Notes To The Financial Statements
For the financial period ended 31 October 2021

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; and 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	273,388	-	273,388
Segment result	13,590	(1,718)	11,872
Share of results of an associate (net)	-	2,600	2,600
Finance costs	13,590	882	14,472
Profit before taxation	(2,284)	(388)	(2,672)
Taxation	11,306	494	11,800
Profit after taxation	(3,143)	-	(3,143)
	8,163	494	8,657
Other information			
Segment assets	522,875	212,228	735,103
Investment in an associate	-	27,140	27,140
	522,875	239,368	762,243
Current tax assets	354	-	354
Deferred tax assets	25	-	25
Consolidated total assets	523,254	239,368	762,622
Segment liabilities	250,445	146,813	397,258
Current tax liabilities	5,199	-	5,199
Deferred tax liabilities	18,028	-	18,028
Consolidated total liabilities	273,672	146,813	420,485

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Notes To The Financial Statements
For the financial period ended 31 October 2021

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	157,667	-	-	157,667
- Export	95,666	20,055	-	115,721
Inter-segment	18,254	-	(18,254)	-
Total revenue	271,587	20,055	(18,254)	273,388
Segment result	12,146	(274)	-	11,872
Finance costs				(2,672)
Share of results of an associate (net)				2,600
Profit before taxation				11,800
Taxation				(3,143)
Profit after taxation				8,657

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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Notes To The Financial Statements
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A11 Material events subsequent to the end of the current quarter

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

A12 Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter under review and financial period to date.

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 October 2021	30 April 2021
	RM'000	RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries - unsecured		
-Limit of guarantee	14,100	14,100
-Amount utilised	4,490	3,620
Corporate guarantees given to third parties for supply of goods and services to a subsidiary - unsecured		
-Limit of guarantee	2,000	2,000
-Amount utilised	55	95

A14 Capital commitments

	Group	
	31 October 2021	30 April 2021
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	-	222
Authorised but not contracted for	14,222	12,557

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 2021

A15 Significant Related Party Transactions

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

Transaction parties and transaction details	Current quarter ended 31 October		Cumulative period ended 31 October	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	40,729	29,308	72,880	46,486
Ritecorp Sdn Bhd - Rental of premises	15	15	30	30
	40,744	29,323	72,910	46,516

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

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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 October 2021

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>2nd Quarter 2022 ("2Q2022")</u>			
Revenue			
- Malaysia	99,453	-	99,453
- Overseas	59,391	-	59,391
Total Revenue	158,844	-	158,844
Profit/(Loss) From Operations	9,809	(940)	8,869
Net Other Operating Income	552	1	553
Finance Costs	(1,126)	(221)	(1,347)
Share of Results of an Associate (net)	-	477	477
Profit/(Loss) Before Taxation	9,235	(683)	8,552
Taxation	(2,370)	-	(2,370)
Profit/(Loss) After Taxation	6,865	(683)	6,182
<u>2nd Quarter 2021 ("2Q2021")</u>			
Revenue			
- Malaysia	83,161	-	83,161
- Overseas	41,931	-	41,931
Total Revenue	125,092	-	125,092
Profit/(Loss) From Operations	10,229	(207)	10,022
Net Other Operating (Expense)/Income	(358)	5	(353)
Finance Costs	(885)	(1)	(886)
Share of Results of an Associate (net)	-	3,351	3,351
Profit Before Taxation	8,986	3,148	12,134
Taxation	(2,827)	-	(2,827)
Profit After Taxation	6,159	3,148	9,307
<u>Variance</u>			
Total Revenue	27.0%	N/A	27.0%
Profit/(Loss) From Operations	-4.1%	N/A	-11.5%
Profit/(Loss) Before Taxation	2.8%	N/A	-29.5%
Profit/(Loss) After Taxation	11.5%	N/A	-33.6%

N/A – Not applicable due to incomparability.

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Notes To The Financial Statements
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B1 Review of performance (continued)

Cumulative period ended 31 October 2021

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>Year To Date FY2022 ("YTD2022")</u>			
Revenue			
- Malaysia	157,667	-	157,667
- Overseas	115,721	-	115,721
Total Revenue	273,388	-	273,388
Profit/(Loss) From Operations	15,477	(1,719)	13,758
Net Other Operating (Expense)/Income	(1,887)	1	(1,886)
Finance Costs	(2,284)	(388)	(2,672)
Share of Results of an Associate (net)	-	2,600	2,600
Profit Before Taxation	11,306	494	11,800
Taxation	(3,143)	-	(3,143)
Profit After Taxation	8,163	494	8,657
<u>Year To Date FY2021 ("YTD2021")</u>			
Revenue			
- Malaysia	149,315	-	149,315
- Overseas	88,742	-	88,742
Total Revenue	238,057	-	238,057
Profit/(Loss) From Operations	18,624	(359)	18,265
Net Other Operating (Expense)/Income	(2,814)	21	(2,793)
Finance Costs	(2,204)	(2)	(2,206)
Share of Results of an Associate (net)	-	4,687	4,687
Profit Before Taxation	13,606	4,347	17,953
Taxation	(4,301)	-	(4,301)
Profit After Taxation	9,305	4,347	13,652
<u>Variance</u>			
Total Revenue	14.8%	N/A	14.8%
Profit/(Loss) From Operations	-16.9%	N/A	-24.7%
Profit Before Taxation	-16.9%	-88.6%	-34.3%
Profit After Taxation	-12.3%	-88.6%	-36.6%

N/A – Not applicable due to incomparability.

B1 Review of performance (continued)

For the quarter

For the quarter under review, the Group reported revenue of RM158.84 million (2Q2021: RM125.09 million). The increase of 27.0% was due mainly to higher average selling prices for aluminium segment as a result of the rise in raw material costs.

The Group reported a profit before taxation of RM8.55 million for 2Q2022 (2Q2021: RM12.13 million). The decrease of 29.5% was due to loss before taxation of RM0.68 million incurred by the property segment for the current quarter compared to profit before taxation of RM3.15 million for the corresponding quarter last year. The loss from the property segment was due to lower contribution from associate, Vistarena Development Sdn Bhd, as well as higher preliminary expenses incurred by the property subsidiaries. For the aluminium segment, there was an increase in profit before taxation of 2.8% to RM9.24 million against that of the corresponding quarter last year.

In line with the above, the Group's profit after taxation was RM6.18 million (2Q2021: RM9.31 million), a decrease of 33.6% compared to the preceding year corresponding quarter.

For the 6 months period

For the cumulative 6 months period ended 31 October 2021, the Group recorded revenue of RM273.39 million (YTD2021: RM238.06 million). The increase of 14.8% was due mainly to higher average selling prices during the current period.

The Group reported a profit before taxation of RM11.80 million for YTD2022, a decrease of 34.3% compared to the preceding year corresponding period of RM17.95 million. Contribution from the aluminium segment was lower at RM11.31 million compared to RM13.61 million for the corresponding period last year as the results of the first quarter of FY2022 was adversely affected by lockdowns imposed by the Malaysian Government. The performance for the first half of FY2022 was further impacted by the property segment with lower contribution from the associate and higher preliminary expenses incurred by the property subsidiaries. The reduced contribution from the associate was due mainly lower work progress.

In line with the above, the Group's profit after taxation was RM8.66 million (YTD2021: RM13.65 million), a decrease of 36.6% compared to the preceding year corresponding period.

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Notes To The Financial Statements
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B2 Variance of results against preceding quarter

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>2nd Quarter 2022 ("2Q2022")</u>			
Revenue			
- Malaysia	99,453	-	99,453
- Overseas	59,391	-	59,391
Total Revenue	158,844	-	158,844
Profit/(Loss) From Operations	9,809	(940)	8,869
Net Other Operating Income	552	1	553
Finance Costs	(1,126)	(221)	(1,347)
Share of Results of an Associate (net)	-	477	477
Profit/(Loss) Before Taxation	9,235	(683)	8,552
Taxation	(2,370)	-	(2,370)
Profit/(Loss) After Taxation	6,865	(683)	6,182
<u>1st Quarter 2022 ("1Q2022")</u>			
Revenue			
- Malaysia	58,214	-	58,214
- Overseas	56,330	-	56,330
Total Revenue	114,544	-	114,544
Profit/(Loss) From Operations	5,668	(779)	4,889
Net Other Operating Expense	(2,439)	-	(2,439)
Finance Costs	(1,158)	(167)	(1,325)
Share of Results of an Associate (net)	-	2,123	2,123
Profit Before Taxation	2,071	1,177	3,248
Taxation	(773)	-	(773)
Profit After Taxation	1,298	1,177	2,475
<u>Variance</u>			
Total Revenue	38.7%	N/A	38.7%
Profit/(Loss) From Operations	73.1%	N/A	81.4%
Profit/(Loss) Before Taxation	345.9%	N/A	163.3%
Profit/(Loss) After Taxation	428.9%	N/A	149.8%

N/A – Not applicable due to incomparability.

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B2 Variance of results against preceding quarter (continued)

The Group reported revenue of RM158.84 million for 2Q2022 (1Q2022: RM114.54 million). The variance of 38.7% was contributed by the increase in both sales volume and average selling prices for aluminium segment. In the previous quarter, the Group's aluminium operations were adversely affected by the lockdowns imposed by the Malaysian government under the MCO 3.0 and Phase 1 of the National Recovery Plan ("NRP"). The Group has resumed full operations starting from September 2021.

The Group reported a profit before taxation of RM8.55 million (1Q2022: RM3.25 million). The significant increase of 163.3% was due to higher contribution from the aluminium segment arising from both increased revenue and better margins. However, the property segment incurred a loss before taxation of RM0.68 million for the quarter under review compared to profit before taxation of RM1.18 million for the preceding quarter.

The share of results of the associate for 2Q2022 amounted to RM0.48 million (1Q2022: RM2.12 million). The decrease was due mainly to lower work progress compared to the preceding quarter.

In line with the above, the Group reported a profit after taxation of RM6.18 million for 2Q2022 (1Q2022: RM2.48 million).

B3 Current year prospects

Global economy

In most advanced economies, growth was broad-based across manufacturing and services sectors, whilst many emerging market economies experienced a softer recovery due to localised lockdowns to curb resurgences in Covid-19 cases. Nonetheless, the global economy continued to recover but moderated in the third quarter of 2021. China registered a growth of 4.9% due to sustainable strength in external demand. Meanwhile, the United States also reported a growth of 4.9% due to a recovery in private consumption and improved labour market conditions. Going forward, the global growth projection revised marginally downwards from 6.0% to 5.9% for 2021 (source: IMF), reflecting weaker prospects in advanced economies, due partly to resurgences in Covid-19 cases. The progress of vaccine rollout remains a key determinant of the growth recovery.

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B3 Current year prospects (continued)

Malaysian economy

On the home front, the Malaysian economy contracted by 4.5% in the third quarter of 2021 (2Q2021: GDP growth of 16.1%) due mainly to the demand and supply shocks arising from strict containment measures under the NRP.

For 2021, the Malaysian economy will remain on track to achieve the projected growth range of 3.0% - 4.0%. The recent gradual relaxations for reopening more economic sectors, along with higher adaptability to the new operating environment and continued policy support, partly mitigated the impact of nationwide containment measures in the third quarter. Furthermore, the successful rollout of the vaccination programme, which has resulted in improved health outcomes, has enabled a phased and safe reopening of economic sectors. Going into 2022, the positive growth momentum is expected to improve. The economy would benefit from expansion in global demand, higher private sector expenditure in line with the resumption of economic activity and continued policy support.

Prospect for the Group

The Group has resumed full operations and 99% of our employees have been fully vaccinated. Nevertheless, the Group operates under strict standard operating procedures as required by the authorities to prevent the spread of Covid-19. For the Group's aluminium segment, the incoming sales orders are at a satisfactory level and the trend is expected to sustain for the next quarter following the economic recovery in both local and global markets.

For the property segment, the Group's investment in an associate, Vistarena Development Sdn Bhd, is expected to continue the positive contribution in the coming quarters. The residential development is 100.0% sold and the current construction progress is approximately 86.3%.

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.

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B5 Taxation

	Current quarter ended 31 October		Cumulative period ended 31 October	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current period	2,793	3,263	5,139	5,800
- under provision in prior period	-	-	-	8
	2,793	3,263	5,139	5,808
Deferred tax				
- relating to origination and reversal of temporary differences	(480)	(594)	(2,053)	(2,062)
- under provision in prior period	57	158	57	555
	(423)	(436)	(1,996)	(1,507)
Tax expense	2,370	2,827	3,143	4,301

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

B6 Status of corporate proposals announced

On 6 July 2021, the Company announced to undertake a proposed bonus issue of up to 186,364,750 new ordinary shares in the Company ("Bonus Shares") to be credited as fully paid-up, on the basis of three (3) Bonus Shares for every four (4) existing ordinary shares in the Company ("Bonus Issue"). The Bonus Issue was completed on 30 August 2021.

Other than the above, there is no other corporate proposal announced that is not completed as at the date of this report.

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B7 Borrowings and debt securities

	31 October 2021	30 April 2021
	RM'000	RM'000
Short-term borrowings		
Bankers' acceptances (unsecured)	126,080	109,680
Revolving credit (unsecured)	28,000	32,000
Bank overdrafts (secured)	17,178	4,605
Term loans		
- secured	1,740	1,740
- unsecured	1,480	1,480
	174,478	149,505
Long-term borrowings		
Term loans		
- secured	33,260	33,260
- unsecured	5,920	5,920
	39,180	39,180
Total Borrowings	213,658	188,685

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

	Current quarter	Cumulative period
Net profit for the period attributable to ordinary shareholders (RM'000)	6,827	9,868
<i>Basic earnings per share</i>		
Weighted average number of ordinary shares in issue ('000):		
- Ordinary shares as at 1 May 2021	248,486	248,486
- Effect of issuance of ordinary shares pursuant to Bonus Issue completed on 30 August 2021	186,365	186,365
Weighted average number of ordinary shares ('000)	434,851	434,851
Basic earnings per share (sen)	1.57	2.27

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

Tan Hsiao Yuen
Company Secretary
Date: 9 December 2021