

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Financial Position
As at 31 October 2022

	As at 31 October 2022 RM'000	As at 30 April 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	181,070	184,557
Right-of-use assets	10,280	9,404
Goodwill on consolidation	757	757
Investment in an associate	10,395	29,544
Other investment	1,103	1,197
	<u>203,605</u>	<u>225,459</u>
Current assets		
Inventories	176,628	184,302
Property development expenditure	209,530	204,921
Trade receivables	122,180	143,507
Other receivables	11,214	28,645
Current tax assets	233	160
Short-term fund	42,368	28,271
Deposits with licensed bank	14,910	8,050
Cash and bank balances	48,315	22,248
	<u>625,378</u>	<u>620,104</u>
TOTAL ASSETS	<u>828,983</u>	<u>845,563</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	5,491	4,678
Retained earnings	246,393	232,404
Equity attributable to owners of the Company	<u>377,655</u>	<u>362,853</u>
Non-controlling interests	(2,851)	(743)
Total equity	<u>374,804</u>	<u>362,110</u>
Non-current liabilities		
Amount owing to a corporate shareholder of a subsidiary	17,500	14,561
Bank borrowings	91,494	30,160
Deferred tax liabilities	16,826	20,844
Lease liabilities	1,993	1,227
	<u>127,813</u>	<u>66,792</u>
Current liabilities		
Trade payables	48,399	99,343
Other payables	71,999	81,751
Bank borrowings	196,012	230,020
Current tax liabilities	8,786	4,266
Lease liabilities	1,170	1,281
	<u>326,366</u>	<u>416,661</u>
TOTAL LIABILITIES	454,179	483,453
TOTAL EQUITY AND LIABILITIES	<u>828,983</u>	<u>845,563</u>
	RM	RM
Net assets per share	<u>0.87</u>	<u>0.83</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 2022)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 31 October 2022

	Current quarter ended		Cumulative period ended	
	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	206,089	158,844	433,145	273,388
Operating expenses	(189,559)	(149,975)	(395,685)	(259,630)
Profit from operations	16,530	8,869	37,460	13,758
Net other operating income/(expense)	1,645	553	(3,213)	(1,886)
Profit before interest and tax	18,175	9,422	34,247	11,872
Finance costs	(2,667)	(1,347)	(4,846)	(2,672)
Share of results of an associate (net)	(482)	477	851	2,600
Profit before taxation	15,026	8,552	30,252	11,800
Taxation	(3,986)	(2,370)	(7,500)	(3,143)
Net profit for the period	11,040	6,182	22,752	8,657
Other comprehensive income/(loss)				
- Foreign currency translations	466	(107)	813	(19)
Total comprehensive income for the period, net of tax	11,506	6,075	23,565	8,638
Net profit/(loss) for the period attributable to:				
- Owners of the Company	12,354	6,827	24,860	9,868
- Non-controlling interests	(1,314)	(645)	(2,108)	(1,211)
Net profit for the period	11,040	6,182	22,752	8,657
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	12,820	6,720	25,673	9,849
- Non-controlling interests	(1,314)	(645)	(2,108)	(1,211)
Total comprehensive income for the period	11,506	6,075	23,565	8,638
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	2.84	1.57	5.72	2.27

(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 2022)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 October 2022

	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
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>
Balance as at 1 May 2022	125,771	4,678	232,404	362,853	(743)	362,110
Total comprehensive income/(loss) for the period	-	813	24,860	25,673	(2,108)	23,565
Dividend paid	-	-	(10,871)	(10,871)	-	(10,871)
Balance as at 31 October 2022	<u>125,771</u>	<u>5,491</u>	<u>246,393</u>	<u>377,655</u>	<u>(2,851)</u>	<u>374,804</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 2022)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2022

	Period ended 31 October 2022 RM'000	Period ended 31 October 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	30,252	11,800
Adjustments for:		
Depreciation of property, plant and equipment	6,270	6,169
Amortisation of right-of-use assets	884	783
Bad debts written off (net)	-	7
Fair value adjustment on derivative	-	(31)
Fair value adjustment on other investment	94	326
Gain on disposal of property, plant and equipment (net)	(56)	-
Property, plant and equipment written off	2	4
Loss on reassessments and modification of leases	32	-
Impairment losses on trade receivables (net)	7,042	3,535
(Reversal of impairment losses)/Impairment losses on other receivables (net)	(22)	3
Inventories written off	32	91
Reversal of inventories written down (net)	(10)	(4)
Interest income	(1,071)	(374)
Interest expense	4,846	2,672
Unrealised gain on foreign exchange (net)	(106)	(319)
Share of results of an associate (net)	(851)	(2,600)
Operating profit before working capital changes	47,338	22,062
Changes in inventories	7,659	(25,778)
Changes in property development expenditure	(4,609)	(115,264)
Changes in receivables	32,048	32,661
Changes in payables	(58,854)	62,836
Cash generated from/(used in) operations	23,582	(23,483)
Tax paid	(7,114)	(4,258)
Net cash generated from/(used in) operating activities	16,468	(27,741)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	78	-
Purchase of property, plant and equipment	(2,723)	(1,930)
Dividend received from an associate	20,000	-
Net change in short-term fund	(14,097)	(242)
Interest received	1,071	374
Net cash generated from/(used in) investing activities	4,329	(1,798)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 October 2022

	Period ended 31 October 2022 RM'000	Period ended 31 October 2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(10,871)	-
Net drawdown/(repayment) of:		
- Bankers' acceptances	(28,760)	16,400
- Term loan	61,334	-
- Revolving credit	(5,000)	(4,000)
Payment for lease liabilities	(1,136)	(802)
Interest paid	(4,846)	(2,672)
	<hr/>	<hr/>
Net cash generated from financing activities	10,721	8,926
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	31,518	(20,613)
Effect of exchange rate changes on cash and cash equivalents	1,657	360
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17,598	31,865
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	50,773	11,612
	<hr/> <hr/>	<hr/> <hr/>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed bank	14,910	8,400
Cash and bank balances	48,315	20,390
Bank overdrafts	(12,452)	(17,178)
	<hr/>	<hr/>
	50,773	11,612
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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 2022)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 2022

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 2022. 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 2022.

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 2022 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 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

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 2023

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and
MFRS 9 – Comparative Information

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

(ii) Effective for the financial periods beginning on or after 1 January 2024

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

(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 is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

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A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2022.

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 2022 amounting to RM10,871,261 was paid on 18 October 2022.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]**Notes To The Financial Statements****For the financial period ended 31 October 2022****A9 Notes to the Statements of Profit or Loss and Other Comprehensive Income**

	Current quarter ended		Cumulative period ended	
	31 October		31 October	
	2022	2021	2022	2021
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(3,184)	(3,055)	(6,270)	(6,169)
Amortisation of right-of-use assets	(423)	(393)	(884)	(783)
Bad debts written off (net)	-	(7)	-	(7)
Fair value adjustment on derivative	1	-	-	31
Fair value adjustment on other investment	11	52	(94)	(326)
Loss on reassessments and modification of leases	-	-	(32)	-
Gain on disposal of property, plant and equipment (net)	56	-	56	-
Property, plant and equipment written off	-	-	(2)	(4)
Reversal of impairment losses/(Impairment losses) on trade receivables (net)	294	(383)	(7,042)	(3,535)
Reversal of impairment losses/(Impairment losses) on other receivables (net)	23	(9)	22	(3)
Inventories written off	(14)	(36)	(32)	(91)
Reversal of inventories written down (net)	3	2	10	4
Interest income	690	160	1,071	374
Interest expense	(2,667)	(1,347)	(4,846)	(2,672)
Foreign exchange gain (net)				
- realised	175	101	1,856	292
- unrealised	209	159	106	319

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 2022

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	398,427	34,718	433,145
Segment result	36,023	(1,776)	34,247
Share of results of an associate (net)	-	851	851
Finance costs	36,023	(925)	35,098
Profit/(Loss) before taxation	(3,395)	(1,451)	(4,846)
Taxation	32,628	(2,376)	30,252
Profit/(Loss) after taxation	(7,500)	-	(7,500)
	25,128	(2,376)	22,752
Other information			
Segment assets	586,313	232,042	818,355
Investment in an associate	-	10,395	10,395
Current tax assets	586,313	242,437	828,750
Consolidated total assets	230	3	233
	586,543	242,440	828,983
Segment liabilities	242,202	186,365	428,567
Current tax liabilities	8,786	-	8,786
Deferred tax liabilities	16,826	-	16,826
Consolidated total liabilities	267,814	186,365	454,179

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Notes To The Financial Statements
For the financial period ended 31 October 2022

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	247,455	-	-	247,455
- Export	148,409	37,281	-	185,690
Inter-segment	29,422	-	(29,422)	-
Total revenue	425,286	37,281	(29,422)	433,145
Segment result	28,911	5,336	-	34,247
Finance costs				(4,846)
Share of results of an associate (net)				851
Profit before taxation				30,252
Taxation				(7,500)
Profit after taxation				22,752

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

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 2022

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 2022	30 April 2022
	RM'000	RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries		
-Limit of guarantee	80,600	9,200
-Amount utilised	31,570	2,700
Corporate guarantees given to third parties for supply of goods and services to a subsidiary		
-Limit of guarantee	2,000	2,000
-Amount utilised	15	-

A14 Capital commitments

	Group	
	31 October 2022	30 April 2022
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	185	1,816
Authorised but not contracted for	9,728	9,203

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 2022

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:

Transacting parties and transaction details	Current quarter ended 31 October		Cumulative period ended 31 October	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	28,190	40,729	63,150	72,880
Ritecorp Sdn Bhd - Rental of premises	15	15	30	30
	28,205	40,744	63,180	72,910

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 October 2022

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>2nd Quarter 2023 ("2Q2023")</u>			
Revenue			
- Malaysia	97,594	17,753	115,347
- Overseas	90,742	-	90,742
Total Revenue	188,336	17,753	206,089
Profit/(Loss) From Operations	17,704	(1,174)	16,530
Net Other Operating Income	1,639	6	1,645
Finance Costs	(1,758)	(909)	(2,667)
Share of Results of an Associate (net)	-	(482)	(482)
Profit/(Loss) Before Taxation	17,585	(2,559)	15,026
Taxation	(3,986)	-	(3,986)
Profit/(Loss) After Taxation	13,599	(2,559)	11,040
<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>Variance</u>			
Total Revenue	18.6%	N/A	29.7%
Profit/(Loss) From Operations	80.5%	N/A	86.4%
Profit/(Loss) Before Taxation	90.4%	N/A	75.7%
Profit/(Loss) After Taxation	98.1%	N/A	78.6%

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 2022

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>Year To Date FY2023 ("YTD2023")</u>			
Revenue			
- Malaysia	212,737	34,718	247,455
- Overseas	185,690	-	185,690
Total Revenue	398,427	34,718	433,145
Profit/(Loss) From Operations	39,249	(1,789)	37,460
Net Other Operating Income	(3,226)	13	(3,213)
Finance Costs	(3,395)	(1,451)	(4,846)
Share of Results of an Associate (net)	-	851	851
Profit/(Loss) Before Taxation	32,628	(2,376)	30,252
Taxation	(7,500)	-	(7,500)
Profit/(Loss) After Taxation	25,128	(2,376)	22,752
<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>Variance</u>			
Total Revenue	45.7%	N/A	58.4%
Profit/(Loss) From Operations	153.6%	N/A	172.3%
Profit/(Loss) Before Taxation	188.6%	N/A	156.4%
Profit/(Loss) After Taxation	207.8%	N/A	162.8%

N/A – Not applicable due to incomparability.

B1 Review of performance (continued)

For the quarter

Revenue

For the quarter under review, the Group's revenue increased by 29.7% to RM206.09 million (2Q2022: RM158.84 million) due to improvements in both the aluminium and property segments.

Aluminium Segment

The Group's aluminium segment reported revenue of RM188.34 million (2Q2022: RM158.84 million). The increase of 18.6% was due mainly to higher average selling prices compared to the previous year corresponding quarter.

Property Segment

The Group's property segment reported revenue of RM17.75 million (2Q2022: Nil) from its Satu Anggota Satu Rumah ("SASaR") project in Bandar Tasik Selatan with accumulated sales and development progress of 44.5% and 12.3% respectively.

Profit before taxation ("PBT")

The Group's PBT increased by 75.7% to RM15.03 million (2Q2022: RM8.55 million) due to better performance of the aluminium segment.

Aluminium Segment

For the aluminium segment, the increase in PBT by 90.4% to RM17.59 million (2Q2022: RM9.24 million) was due mainly to higher revenue coupled with better margins.

Property Segment

The Group's property segment reported a loss before taxation of RM2.56 million (2Q2022: loss before taxation of RM683,000) due mainly to lower contribution from the associate, Vistarena Development Sdn Bhd, after the completion of its Residensi Platinum OUG project in June 2022. Meanwhile, the property segment also incurred higher finance costs during the quarter with the additional loan drawdown for the SASaR project.

Profit after taxation

In line with the above, the Group's profit after taxation for 2Q2023 was RM11.04 million (2Q2022: RM6.18 million).

B1 Review of performance (continued)

For the 6 months period

Revenue

For the cumulative 6 months ended 31 October 2022, the Group's revenue increased by 58.4% to RM433.15 million (YTD2022: RM273.39 million) due to improvements in both the aluminium and property segments.

Aluminium Segment

The Group's aluminium segment reported revenue of RM398.43 million for YTD2023 compared to the preceding year's corresponding period of RM273.39 million. The increase of 45.7% was due to both higher sales volume and average selling prices.

Property Segment

The Group's property segment recorded revenue from its SASaR project since its launching in May 2022. The SASaR project has contributed revenue of RM34.72 million for YTD2023 (YTD2022: Nil).

Profit before taxation ("PBT")

The Group's PBT increased by 156.4% to RM30.25 million for YTD2023 (YTD2022: RM11.80 million) due to better performance of the aluminium segment.

Aluminium Segment

For the aluminium segment, the significant increase in PBT by 188.6% to RM32.63 million for YTD2023 (YTD2022: RM11.31 million) was due mainly to both higher revenue and better margins.

Property Segment

The Group's property segment reported a loss before taxation of RM2.38 million for YTD2023 (YTD2022: PBT of 494,000) due mainly to lower contribution from the associate coupled with higher finance costs.

Profit after taxation

In line with the above, the Group's profit after taxation for YTD2023 was RM22.75 million (YTD2022: RM8.66 million).

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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 2023 ("2Q2023")</u>			
Revenue			
- Malaysia	97,594	17,753	115,347
- Overseas	90,742	-	90,742
Total Revenue	188,336	17,753	206,089
Profit/(Loss) From Operations	17,704	(1,174)	16,530
Net Other Operating Income	1,639	6	1,645
Finance Costs	(1,758)	(909)	(2,667)
Share of Results of an Associate (net)	-	(482)	(482)
Profit/(Loss) Before Taxation	17,585	(2,559)	15,026
Taxation	(3,986)	-	(3,986)
Profit/(Loss) After Taxation	13,599	(2,559)	11,040
<u>1st Quarter 2023 ("1Q2023")</u>			
Revenue			
- Malaysia	115,143	16,965	132,108
- Overseas	94,948	-	94,948
Total Revenue	210,091	16,965	227,056
Profit/(Loss) From Operations	21,545	(615)	20,930
Net Other Operating (Expense)/Income	(4,865)	7	(4,858)
Finance Costs	(1,637)	(542)	(2,179)
Share of Results of an Associate (net)	-	1,333	1,333
Profit Before Taxation	15,043	183	15,226
Taxation	(3,514)	-	(3,514)
Profit After Taxation	11,529	183	11,712
<u>Variance</u>			
Total Revenue	-10.4%	4.6%	-9.2%
Profit/(Loss) From Operations	-17.8%	N/A	-21.0%
Profit/(Loss) Before Taxation	16.9%	N/A	-1.3%
Profit/(Loss) After Taxation	18.0%	N/A	-5.7%

N/A – Not applicable due to incomparability.

B2 Variance of results against preceding quarter (continued)

Revenue

The Group's revenue decreased by 9.2% for the quarter under review to RM206.09 million (1Q2023: RM227.06 million). The aluminium segment recorded revenue of RM188.34 million (1Q2023: RM210.09 million), a decrease of 10.4% due mainly to both lower sales volume and average selling prices compared to the previous quarter. Meanwhile, the property segment recognised revenue of RM17.75 million (1Q2023: RM16.97 million) from its SASaR project in Bandar Tasik Selatan due to higher work progress.

Profit before taxation

The Group's PBT for 2Q2023 stood at RM15.03 million compared to the previous quarter of RM15.23 million. The aluminium segment recorded a higher PBT of RM17.59 million (1Q2023: RM15.04 million) due mainly to high impairment losses on trade receivables incurred in the previous quarter compared to a reversal of impairment losses on trade receivables for the quarter under review. Meanwhile, the property segment recorded a loss before taxation of RM2.56 million (1Q2023: PBT of RM183,000) due mainly to lower contribution from the associate.

Profit after taxation

In line with the above, the Group reported a profit after taxation of RM11.04 million for 2Q2023 (1Q2023: RM11.71 million).

B3 Current year prospects

Global economy

The global economy continued to grow at a moderate pace in the third quarter of 2022, with a mixed performance recorded among the major economies. Euro area and the US recorded a growth of 2.1% (2Q2022: 4.0%) and 1.8% (2Q2022: 1.6%) respectively, amid high inflationary pressures and tightening monetary policy that weighed on the economic activity. Meanwhile, China recorded a higher growth at 3.9% (2Q2022: 0.4%) following the easing of its city-wide lockdowns during the quarter. In October 2022, the IMF projected a 3.2% growth for 2022 followed by slower growth of 2.7% for 2023. The headwinds ahead include the lingering COVID-19 pandemic, the global cost-of-living crisis, the prolonged military conflict in Ukraine, and the worsening of climate change resulting from global warming.

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B3 Current year prospects (continued)

Malaysian economy

On the home front, the Malaysian economy recorded a strong growth of 14.2% in the third quarter of 2022 (2Q2022: 8.9%). The economic expansion was driven by strong domestic demand, backed by better labour market conditions and ongoing government policy support.

Moving into 2023, the Malaysian economy is expected to continue its growth with the support of solid domestic demand. However, the outlook remains susceptible to weaker-than-expected global growth, further escalation of geopolitical conflicts, and the rising cost of living in the country.

Prospects for the Group

The stabilization of the global aluminium prices and the strengthening of the Malaysian Ringgit against the US Dollar augur well for the Group's aluminium segment, as our primary raw material is aluminium which is priced in US Dollar. Moving forward, we are positive of the prospect for the aluminium segment as we expect demand to be sustained given the growth trajectory of the Malaysian economy as well as that of the global economy.

For the property segment, the accumulated sales and construction progress of the SASaR project were 44.5% and 12.3% respectively. We expect the project take-up rate to improve when the property subsidiary continues to execute more sale and purchase agreements.

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.

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B5 Taxation

	Current quarter ended 31 October		Cumulative period ended 31 October	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current period	5,287	2,793	11,520	5,139
	5,287	2,793	11,520	5,139
Deferred tax				
- relating to origination and reversal of temporary differences	(729)	(480)	(3,425)	(2,053)
- under provision in prior period	(572)	57	(595)	57
	(1,301)	(423)	(4,020)	(1,996)
Tax expense	3,986	2,370	7,500	3,143

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.

B6 Status of corporate proposals announced

There is no corporate proposal announced that is not complete as at the date of this report.

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B7 Borrowings and debt securities

	31 October 2022	30 April 2022
	RM'000	RM'000
Short-term borrowings		
Bankers' acceptances (unsecured)	155,120	183,880
Revolving credit (unsecured)	20,000	25,000
Bank overdrafts (secured)	12,452	12,700
Term loans		
- secured	6,960	6,960
- unsecured	1,480	1,480
	196,012	230,020
Long-term borrowings		
Term loans		
- secured	87,054	25,720
- unsecured	4,440	4,440
	91,494	30,160
Total Borrowings	287,506	260,180

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)	12,354	24,860
<i>Basic earnings per share</i>		
Weighted average number of ordinary shares ('000)	434,851	434,851
Basic earnings per share (sen)	2.84	5.72

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: 6 December 2022