

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Financial Position
As at 31 January 2023

	As at 31 January 2023 RM'000	As at 30 April 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	179,448	184,557
Right-of-use assets	12,095	9,404
Goodwill on consolidation	757	757
Investment in an associate	9,948	29,544
Other investment	1,260	1,197
	<u>203,508</u>	<u>225,459</u>
Current assets		
Inventories	175,681	184,302
Property development expenditure	217,817	204,921
Trade receivables	93,597	143,507
Other receivables	16,225	28,645
Derivative financial asset	31	-
Current tax assets	1,188	160
Short-term fund	42,436	28,271
Deposits with licensed bank	44,890	8,050
Cash and bank balances	28,317	22,248
	<u>620,182</u>	<u>620,104</u>
TOTAL ASSETS	<u>823,690</u>	<u>845,563</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	4,966	4,678
Retained earnings	254,481	232,404
Equity attributable to owners of the Company	<u>385,218</u>	<u>362,853</u>
Non-controlling interests	<u>(2,631)</u>	<u>(743)</u>
Total equity	<u>382,587</u>	<u>362,110</u>
Non-current liabilities		
Amount owing to a corporate shareholder of a subsidiary	17,643	14,561
Bank borrowings	93,258	30,160
Deferred tax liabilities	19,109	20,844
Lease liabilities	2,215	1,227
	<u>132,225</u>	<u>66,792</u>
Current liabilities		
Trade payables	49,793	99,343
Other payables	72,223	81,751
Bank borrowings	178,717	230,020
Current tax liabilities	5,395	4,266
Lease liabilities	2,750	1,281
	<u>308,878</u>	<u>416,661</u>
TOTAL LIABILITIES	<u>441,103</u>	<u>483,453</u>
TOTAL EQUITY AND LIABILITIES	<u>823,690</u>	<u>845,563</u>
	RM	RM
Net assets per share	<u>0.89</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 January 2023

	Current quarter ended		Cumulative period ended	
	31 January 2023	31 January 2022	31 January 2023	31 January 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	159,798	197,108	592,943	470,496
Operating expenses	(151,155)	(183,668)	(546,840)	(443,298)
Profit from operations	8,643	13,440	46,103	27,198
Net other operating income	5,319	5,111	2,106	3,225
Profit before interest and tax	13,962	18,551	48,209	30,423
Finance costs	(2,396)	(1,986)	(7,242)	(4,658)
Share of results of an associate (net)	(447)	719	404	3,319
Profit before taxation	11,119	17,284	41,371	29,084
Taxation	(2,811)	(3,268)	(10,311)	(6,411)
Net profit for the period	8,308	14,016	31,060	22,673
Other comprehensive income/(loss)				
- Foreign currency translations	(525)	29	288	10
Total comprehensive income for the period, net of tax	7,783	14,045	31,348	22,683
Net profit/(loss) for the period attributable to:				
- Owners of the Company	8,088	14,793	32,948	24,661
- Non-controlling interests	220	(777)	(1,888)	(1,988)
Net profit for the period	8,308	14,016	31,060	22,673
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	7,563	14,822	33,236	24,671
- Non-controlling interests	220	(777)	(1,888)	(1,988)
Total comprehensive income for the period	7,783	14,045	31,348	22,683
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	1.86	3.40	7.58	5.67

(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 January 2023

	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
Balance as at 1 May 2021	125,771	4,514	201,553	331,838	681	332,519
Total comprehensive income/(loss) for the period	-	10	24,661	24,671	(1,988)	22,683
Dividend paid	-	-	(10,871)	(10,871)	-	(10,871)
Subscription of interest in a subsidiary by non-controlling interest	-	-	-	-	1,760	1,760
Balance as at 31 January 2022	<u>125,771</u>	<u>4,524</u>	<u>215,343</u>	<u>345,638</u>	<u>453</u>	<u>346,091</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	-	288	32,948	33,236	(1,888)	31,348
Dividend paid	-	-	(10,871)	(10,871)	-	(10,871)
Balance as at 31 January 2023	<u>125,771</u>	<u>4,966</u>	<u>254,481</u>	<u>385,218</u>	<u>(2,631)</u>	<u>382,587</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 January 2023

	Period ended 31 January 2023 RM'000	Period ended 31 January 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	41,371	29,084
Adjustments for:		
Depreciation of property, plant and equipment	9,436	9,223
Amortisation of right-of-use assets	1,309	1,162
Dividend income from other investment	(58)	(47)
Bad debts written off (net)	-	7
Fair value adjustment on derivative	(31)	(31)
Fair value adjustment on other investment	(63)	451
Gain on disposal of property, plant and equipment (net)	(64)	(29)
Gain on disposal of asset classified as held for sale	-	(4,203)
Property, plant and equipment written off	21	9
Loss on reassessments and modification of leases	32	-
Impairment losses on trade receivables (net)	2,239	2,648
(Reversal of impairment losses)/Impairment losses on other receivables (net)	(351)	2
Inventories written off	51	136
Reversal of inventories written down (net)	(12)	(6)
Interest income	(1,076)	(746)
Interest expense	7,242	4,658
Unrealised loss on foreign exchange (net)	1,272	136
Share of results of an associate (net)	(404)	(3,319)
Operating profit before working capital changes	60,914	39,135
Changes in inventories	8,587	(61,599)
Changes in property development expenditure	(12,896)	(121,429)
Changes in receivables	59,000	37,416
Changes in payables	(55,013)	63,021
Cash generated from/(used in) operations	60,592	(43,456)
Tax refunded	723	-
Tax paid	(12,677)	(5,138)
Net cash generated from/(used in) operating activities	48,638	(48,594)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	87	66
Proceeds from disposal of asset classified as held for sale	-	28,875
Purchase of property, plant and equipment	(4,331)	(4,682)
Dividend received from an associate	20,000	-
Dividend received from other investment	58	47
Net change in short-term fund	(14,165)	(372)
Interest received	1,076	746
Net cash generated from investing activities	2,725	24,680

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 January 2023

	Period ended 31 January 2023 RM'000	Period ended 31 January 2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(10,871)	(10,871)
Net drawdown/(repayment) of:		
- Bankers' acceptances	(46,280)	58,140
- Term loan	63,098	(2,060)
- Revolving credit	(5,000)	(7,000)
Payment for lease liabilities	(1,574)	(1,211)
Interest paid	(7,242)	(4,658)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(7,869)	32,340
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	43,494	8,426
Effect of exchange rate changes on cash and cash equivalents	(562)	297
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17,598	31,865
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>60,530</u>	<u>40,588</u>
	<hr/>	<hr/>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed bank	44,890	29,880
Cash and bank balances	28,317	22,458
Bank overdrafts	(12,677)	(11,750)
	<hr/>	<hr/>
	<u>60,530</u>	<u>40,588</u>
	<hr/>	<hr/>

(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 January 2023

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

Amendments to MFRS 101: Non-Current Liabilities with Covenants

(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.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

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 January 2023****A9 Notes to the Statements of Profit or Loss and Other Comprehensive Income**

	Current quarter ended		Cumulative period ended	
	31 January		31 January	
	2023	2022	2023	2022
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(3,166)	(3,054)	(9,436)	(9,223)
Amortisation of right-of-use assets	(425)	(379)	(1,309)	(1,162)
Dividend income from other investment	58	47	58	47
Bad debts written off (net)	-	-	-	(7)
Fair value adjustment on derivative	31	-	31	31
Fair value adjustment on other investment	157	(125)	63	(451)
Loss on reassessments and modification of leases	-	-	(32)	-
Gain on disposal of property, plant and equipment (net)	8	29	64	29
Gain on disposal of asset classified as held for sale	-	4,203	-	4,203
Property, plant and equipment written off	(19)	(5)	(21)	(9)
Reversal of impairment losses/(Impairment losses) on trade receivables (net)	4,803	887	(2,239)	(2,648)
Reversal of impairment losses/(Impairment losses) on other receivables (net)	329	1	351	(2)
Inventories written off	(19)	(45)	(51)	(136)
Reversal of inventories written down (net)	2	2	12	6
Interest income	5	372	1,076	746
Interest expense	(2,396)	(1,986)	(7,242)	(4,658)
Foreign exchange gain/(loss) (net)				
- realised	1,148	(363)	3,004	(71)
- unrealised	(1,378)	(455)	(1,272)	(136)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

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	531,260	61,683	592,943
Segment result	48,584	(375)	48,209
Share of results of an associate (net)	-	404	404
	48,584	29	48,613
Finance costs	(4,994)	(2,248)	(7,242)
Profit/(Loss) before taxation	43,590	(2,219)	41,371
Taxation	(10,311)	-	(10,311)
Profit/(Loss) after taxation	33,279	(2,219)	31,060
Other information			
Segment assets	567,546	245,008	812,554
Investment in an associate	-	9,948	9,948
	567,546	254,956	822,502
Current tax assets	1,187	1	1,188
Consolidated total assets	568,733	254,957	823,690
Segment liabilities	218,105	198,494	416,599
Current tax liabilities	5,395	-	5,395
Deferred tax liabilities	19,109	-	19,109
Consolidated total liabilities	242,609	198,494	441,103

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

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	360,211	-	-	360,211
- Export	179,942	52,790	-	232,732
Inter-segment	40,606	-	(40,606)	-
Total revenue	580,759	52,790	(40,606)	592,943
Segment result	41,666	6,543	-	48,209
Finance costs				(7,242)
Share of results of an associate (net)				404
Profit before taxation				41,371
Taxation				(10,311)
Profit after taxation				31,060

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 January 2023

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 January 2023	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	33,680	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	29	-

A14 Capital commitments

	Group	
	31 January 2023	30 April 2022
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	96	1,816
Authorised but not contracted for	8,791	9,203

LB ALUMINIUM BERHAD [198501006093 (138535-V)]**Notes To The Financial Statements****For the financial period ended 31 January 2023****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 January		Cumulative period ended 31 January	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	19,976	50,800	83,126	123,680
Ritecorp Sdn Bhd - Rental of premises	15	15	45	45
	19,991	50,815	83,171	123,725

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
For the financial period ended 31 January 2023

B Additional information required by the Bursa Securities' Listing Requirements

B1 Review of performance

Current quarter ended 31 January 2023

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>3rd Quarter 2023 ("3Q2023")</u>			
Revenue			
- Malaysia	85,791	26,965	112,756
- Overseas	47,042	-	47,042
Total Revenue	132,833	26,965	159,798
Profit From Operations	7,264	1,379	8,643
Net Other Operating Income	5,297	22	5,319
Finance Costs	(1,599)	(797)	(2,396)
Share of Results of an Associate (net)	-	(447)	(447)
Profit Before Taxation	10,962	157	11,119
Taxation	(2,811)	-	(2,811)
Profit After Taxation	8,151	157	8,308
<u>3rd Quarter 2022 ("3Q2022")</u>			
Revenue			
- Malaysia	125,322	-	125,322
- Overseas	71,786	-	71,786
Total Revenue	197,108	-	197,108
Profit/(Loss) From Operations	14,835	(1,395)	13,440
Net Other Operating Income	5,109	2	5,111
Finance Costs	(1,254)	(732)	(1,986)
Share of Results of an Associate (net)	-	719	719
Profit/(Loss) Before Taxation	18,690	(1,406)	17,284
Taxation	(3,268)	-	(3,268)
Profit/(Loss) After Taxation	15,422	(1,406)	14,016
<u>Variance</u>			
Total Revenue	-32.6%	N/A	-18.9%
Profit/(Loss) From Operations	-51.0%	N/A	-35.7%
Profit/(Loss) Before Taxation	-41.3%	N/A	-35.7%
Profit/(Loss) After Taxation	-47.1%	N/A	-40.7%

N/A – Not applicable due to incomparability.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

B1 Review of performance (continued)

Cumulative period ended 31 January 2023

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>Year To Date FY2023 ("YTD2023")</u>			
Revenue			
- Malaysia	298,528	61,683	360,211
- Overseas	232,732	-	232,732
Total Revenue	531,260	61,683	592,943
Profit From Operations	46,513	(410)	46,103
Net Other Operating Income	2,071	35	2,106
Finance Costs	(4,994)	(2,248)	(7,242)
Share of Results of an Associate (net)	-	404	404
Profit/(Loss) Before Taxation	43,590	(2,219)	41,371
Taxation	(10,311)	-	(10,311)
Profit/(Loss) After Taxation	33,279	(2,219)	31,060
<u>Year To Date FY2022 ("YTD2022")</u>			
Revenue			
- Malaysia	282,989	-	282,989
- Overseas	187,507	-	187,507
Total Revenue	470,496	-	470,496
Profit/(Loss) From Operations	30,312	(3,114)	27,198
Net Other Operating Income	3,222	3	3,225
Finance Costs	(3,538)	(1,120)	(4,658)
Share of Results of an Associate (net)	-	3,319	3,319
Profit/(Loss) Before Taxation	29,996	(912)	29,084
Taxation	(6,411)	-	(6,411)
Profit/(Loss) After Taxation	23,585	(912)	22,673
<u>Variance</u>			
Total Revenue	12.9%	N/A	26.0%
Profit/(Loss) From Operations	53.4%	N/A	69.5%
Profit/(Loss) Before Taxation	45.3%	N/A	42.2%
Profit/(Loss) After Taxation	41.1%	N/A	37.0%

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 decreased by 18.9% to RM159.80 million (3Q2022: RM197.11 million) due mainly to lower contribution from the aluminium segment.

Aluminium Segment

The Group's aluminium segment reported revenue of RM132.83 million (3Q2022: RM197.11 million). The decrease of 32.6% was due mainly to lower sales volume compared to the previous year's corresponding quarter.

Property Segment

The Group's property segment reported revenue of RM26.97 million (3Q2022: Nil) from its Satu Anggota Satu Rumah ("SASaR") project and the newly launched PSV 1 Residences @ Platinum South Valley ("PSV 1 Residences") project in Bandar Tasik Selatan, Kuala Lumpur. The cumulative sales for the SASaR and PSV 1 Residences as of 31 January 2023 were 56.1% and 10.4% respectively, while cumulative construction progress were 16.3% and 14.7% respectively.

Profit before taxation ("PBT")

The Group's PBT decreased by 35.7% to RM11.12 million (3Q2022: RM17.28 million) due to lower contribution from the aluminium segment.

Aluminium Segment

For the aluminium segment, the decrease in PBT by 41.3% to RM10.96 million (3Q2022: RM18.69 million) was due mainly to a decrease in sales volume compared to the previous quarter.

Property Segment

The Group's property segment reported a PBT of RM157,000 (3Q2022: loss before taxation of RM1.41 million) due mainly to positive contributions from the SASaR and PSV 1 Residences projects, partially offset by the decrease in contribution from the property associate.

Profit after taxation

In line with the above, the Group's profit after taxation for 3Q2023 was RM8.31 million (3Q2022: RM14.02 million).

B1 Review of performance (continued)

For the 9 months period

Revenue

For the cumulative 9 months ended 31 January 2023, the Group's revenue increased by 26.0% to RM592.94 million (YTD2022: RM470.50 million) due to improvements in both the aluminium and property segments.

Aluminium Segment

The Group's aluminium segment reported revenue of RM531.26 million for YTD2023 compared to the preceding year's corresponding period of RM470.50 million. The increase of 12.9% was due mainly to higher average selling prices.

Property Segment

The Group's property segment recorded revenue of RM61.68 million for YTD2023 (YTD2022: Nil) from its SASaR and PSV 1 Residences projects.

Profit before taxation ("PBT")

The Group's PBT increased by 42.2% to RM41.37 million for YTD2023 (YTD2022: RM29.08 million) due to better performance of the aluminium segment.

Aluminium Segment

For the aluminium segment, the increase in PBT by 45.3% to RM43.59 million for YTD2023 (YTD2022: RM30.00 million) was due mainly to higher revenue and better margins.

Property Segment

The Group's property segment reported a loss before taxation of RM2.22 million for YTD2023 (YTD2022: loss before taxation of RM912,000) due mainly to lower contribution from the associate coupled with higher finance costs incurred for the development projects.

Profit after taxation

In line with the above, the Group's profit after taxation for YTD2023 was RM31.06 million (YTD2022: RM22.67 million).

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

B2 Variance of results against preceding quarter

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>3rd Quarter 2023 ("3Q2023")</u>			
Revenue			
- Malaysia	85,791	26,965	112,756
- Overseas	47,042	-	47,042
Total Revenue	132,833	26,965	159,798
Profit From Operations	7,264	1,379	8,643
Net Other Operating Income	5,297	22	5,319
Finance Costs	(1,599)	(797)	(2,396)
Share of Results of an Associate (net)	-	(447)	(447)
Profit Before Taxation	10,962	157	11,119
Taxation	(2,811)	-	(2,811)
Profit After Taxation	8,151	157	8,308
<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>Variance</u>			
Total Revenue	-29.5%	51.9%	-22.5%
Profit/(Loss) From Operations	-59.0%	N/A	-47.7%
Profit/(Loss) Before Taxation	-37.7%	N/A	-26.0%
Profit/(Loss) After Taxation	-40.1%	N/A	-24.7%

N/A – Not applicable due to incomparability.

B2 Variance of results against preceding quarter (continued)

Revenue

The Group's revenue decreased by 22.5% for the quarter under review to RM159.80 million (2Q2023: RM206.09 million). The aluminium segment recorded revenue of RM132.83 million (2Q2023: RM188.34 million), a decrease of 29.5% due to the decline in both sales volume and average selling prices compared to the previous quarter. Meanwhile, the property segment recognised a higher revenue at RM26.97 million (2Q2023: RM17.75 million) due mainly to higher sales and work progress of the SASaR project coupled with the revenue recognised for the PSV 1 Residences project launched during the quarter.

Profit before taxation ("PBT")

The Group's PBT for 3Q2023 stood at RM11.12 million compared to the previous quarter of RM15.03 million. The aluminium segment recorded a lower PBT of RM10.96 million (2Q2023: RM17.59 million) due mainly to decreased revenue. Meanwhile, the property segment recorded a PBT of RM157,000 (2Q2023: loss before taxation of RM2.56 million) as the segment recorded higher sales and work progress from the SASaR project and the newly launched PSV 1 Residences project.

Profit after taxation

In line with the above, the Group reported a profit after taxation of RM8.31 million for 3Q2023 (2Q2023: RM11.04 million).

B3 Current year prospects

Global economy

The global economy continued to grow moderately in the fourth quarter of 2022. Most advanced economies reported weaker manufacturing activities for the quarter amid contractions in the export markets as inflationary pressures remain elevated and the economic outlook is uncertain. During the quarter, Euro area and the US recorded a slower year-on-year growth of 1.9% (3Q2022: 2.1%) and 1.0% (3Q2022: 1.8%) respectively, while China also recorded a lower growth of 2.9% (3Q2022: 3.9%). For 2023, global growth is expected to slow down amid the continued challenging and uncertain global trade environment. The main factors likely to undermine the global growth outlook are the escalation of geopolitical tensions, weaker-than-expected international trade, and a prolonged tightening in financial conditions.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

B3 Current year prospects (continued)

Malaysian economy

On the home front, the Malaysian economy grew slower at 7.0% in the fourth quarter of 2022 (3Q2022: 14.2%). Private consumption remained the central pillar supporting domestic growth amid improving labour market conditions. For 2022, the Malaysian economy expanded by 8.7% (2021: 3.1%) annually.

For 2023, the Malaysian economy is expected to continue expanding at a moderate pace. Domestic demand will continue to drive growth, supported by the continued recovery in the labour market. Nevertheless, the outlook remains susceptible to weaker global growth and further escalation of geopolitical conflicts.

Prospects for the Group

For the aluminium segment, the electricity Imbalance Cost Pass-Through (“ICPT”) surcharge as well as higher gas prices have substantially increased our energy costs. To reduce our energy costs and promote green energy transition, we are actively exploring ways to lower our electricity costs including solar projects. Meanwhile, we will vigilantly monitor our operational costs and adjust our selling prices as and when necessary to protect our margins.

For the property segment, the Group’s subsidiary, Pembinaan Serta Hebat Sdn Bhd, has recently launched its PSV 1 Residences @ Platinum South Valley, a 42-storey single block residential apartment project with a Gross Development Value of RM297.5 million. The PSV 1 Residences is located at Bandar Tasik Selatan alongside the existing SASaR project, and the 2 projects are expected to contribute positively to the Group moving forward.

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.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

B5 Taxation

	Current quarter ended 31 January		Cumulative period ended 31 January	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current period	521	4,180	12,041	9,319
- over provision in prior period	6	(2,492)	6	(2,492)
	527	1,688	12,047	6,827
Deferred tax				
- relating to origination and reversal of temporary differences	2,284	1,487	(1,141)	(566)
- under provision in prior period	-	93	(595)	150
	2,284	1,580	(1,736)	(416)
Tax expense	2,811	3,268	10,311	6,411

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.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

B7 Borrowings and debt securities

	31 January 2023	30 April 2022
	RM'000	RM'000
Short-term borrowings		
Bankers' acceptances (unsecured)	137,600	183,880
Revolving credit (unsecured)	20,000	25,000
Bank overdrafts (secured)	12,677	12,700
Term loans		
- secured	6,960	6,960
- unsecured	1,480	1,480
	178,717	230,020
Long-term borrowings		
Term loans		
- secured	90,298	25,720
- unsecured	2,960	4,440
	93,258	30,160
Total Borrowings	271,975	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.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 January 2023

B 10 Earnings per share

	Current quarter	Cumulative period
Net profit for the period attributable to ordinary shareholders (RM'000)	8,088	32,948
<i>Basic earnings per share</i>		
Weighted average number of ordinary shares ('000)	434,851	434,851
Basic earnings per share (sen)	1.86	7.58

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: 29 March 2023