

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

	As at 31 October 2023 RM'000	As at 30 April 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	175,353	177,845
Right-of-use assets	9,011	9,786
Goodwill on consolidation	757	757
Investment in an associate	4,133	4,068
Other investments	2,714	1,113
Deferred tax assets	122	164
	<u>192,090</u>	<u>193,733</u>
Current assets		
Inventories	144,438	141,526
Property development expenditure	184,756	210,837
Trade receivables	139,456	112,836
Other receivables	20,239	11,803
Contract assets	47,137	9,730
Current tax assets	3,544	589
Short-term funds	47,678	47,514
Deposits with licensed bank	20,400	13,880
Cash and bank balances	33,013	33,850
	<u>640,661</u>	<u>582,565</u>
TOTAL ASSETS	<u>832,751</u>	<u>776,298</u>
EQUITY AND LIABILITIES		
Equity attributable to ordinary shareholders		
Share capital	125,771	125,771
Reserves		
Exchange reserve	6,054	5,366
Retained earnings	258,109	260,282
Equity attributable to owners of the Company	<u>389,934</u>	<u>391,419</u>
Non-controlling interests	1,313	(2,506)
Total equity	<u>391,247</u>	<u>388,913</u>
Non-current liabilities		
Amount owing to a corporate shareholder of a subsidiary	17,942	17,699
Bank borrowings	110,301	94,559
Deferred tax liabilities	15,948	17,529
Lease liabilities	1,314	1,144
	<u>145,505</u>	<u>130,931</u>
Current liabilities		
Trade payables	87,569	66,476
Other payables	66,041	62,465
Bank borrowings	136,505	123,007
Current tax liabilities	5,369	2,825
Lease liabilities	515	1,681
	<u>295,999</u>	<u>256,454</u>
TOTAL LIABILITIES	<u>441,504</u>	<u>387,385</u>
TOTAL EQUITY AND LIABILITIES	<u>832,751</u>	<u>776,298</u>
	RM	RM
Net assets per share	<u>0.90</u>	<u>0.90</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 2023)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 31 October 2023

	Current quarter ended		Cumulative period ended	
	31 October 2023	31 October 2022	31 October 2023	31 October 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	221,669	206,089	427,527	433,145
Operating expenses	(209,497)	(189,559)	(405,113)	(395,685)
Profit from operations	12,172	16,530	22,414	37,460
Net other operating (expense)/income	(632)	1,645	(1,930)	(3,213)
Profit before interest and tax	11,540	18,175	20,484	34,247
Finance costs	(2,152)	(2,667)	(4,051)	(4,846)
Share of results of an associate (net)	(15)	(482)	65	851
Profit before taxation	9,373	15,026	16,498	30,252
Taxation	(3,223)	(3,986)	(3,981)	(7,500)
Net profit for the period	6,150	11,040	12,517	22,752
Other comprehensive income				
- Foreign currency translations	499	466	688	813
Total comprehensive income for the period, net of tax	6,649	11,506	13,205	23,565
Net profit/(loss) for the period attributable to:				
- Owners of the Company	4,374	12,354	8,698	24,860
- Non-controlling interests	1,776	(1,314)	3,819	(2,108)
Net profit for the period	6,150	11,040	12,517	22,752
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	4,873	12,820	9,386	25,673
- Non-controlling interests	1,776	(1,314)	3,819	(2,108)
Total comprehensive income for the period	6,649	11,506	13,205	23,565
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	1.01	2.84	2.00	5.72

(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 2023)

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 October 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 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>
Balance as at 1 May 2023	125,771	5,366	260,282	391,419	(2,506)	388,913
Total comprehensive income for the period	-	688	8,698	9,386	3,819	13,205
Dividend paid	-	-	(10,871)	(10,871)	-	(10,871)
Balance as at 31 October 2023	<u>125,771</u>	<u>6,054</u>	<u>258,109</u>	<u>389,934</u>	<u>1,313</u>	<u>391,247</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 2023)

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

	Period ended 31 October 2023 RM'000	Period ended 31 October 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,498	30,252
Adjustments for:		
Depreciation of property, plant and equipment	6,553	6,270
Depreciation of right-of-use assets	887	884
Dividend income from other investments	(40)	-
Loss on reassessments and modification of leases	-	32
Fair value adjustment on other investments	399	94
Fair value adjustment on short term funds	(152)	-
Loss/(Gain) on disposal of property, plant and equipment (net)	37	(56)
Property, plant and equipment written off	6	2
Impairment losses on trade receivables (net)	2,196	7,042
Reversal of impairment losses on other receivables (net)	-	(22)
Inventories written off	17	32
Reversal of inventories written down (net)	(8)	(10)
Interest income	(1,260)	(1,071)
Interest expense	4,051	4,846
Unrealised gain on foreign exchange (net)	(54)	(106)
Share of results of an associate (net)	(65)	(851)
Operating profit before working capital changes	29,065	47,338
Changes in inventories	(2,905)	7,659
Changes in property development expenditure	26,081	(4,609)
Changes in receivables	(73,682)	32,048
Changes in payables	24,814	(58,854)
Cash generated from operations	3,373	23,582
Tax refunded	63	-
Tax paid	(6,054)	(7,114)
Net cash (used in)/generated from operating activities	(2,618)	16,468
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	357	78
Purchase of property, plant and equipment	(4,388)	(2,723)
Dividend received from an associate	-	20,000
Dividend received from other investments	40	-
Investment in quoted shares	(2,000)	-
Net change in short-term funds	(164)	(14,097)
Interest received	1,260	1,071
Net cash (used in)/generated from investing activities	(4,895)	4,329

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

	Period ended 31 October 2023 RM'000	Period ended 31 October 2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(10,871)	(10,871)
Net drawdown/(repayment) of:		
- Bankers' acceptances	19,060	(28,760)
- Term loan	15,755	61,334
- Revolving credit	-	(5,000)
Payment for lease liabilities	(1,108)	(1,136)
Interest paid	(4,051)	(4,846)
	<hr/>	<hr/>
Net cash generated from financing activities	18,785	10,721
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,272	31,518
Effect of exchange rate changes on cash and cash equivalents	(14)	1,657
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	35,764	17,598
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	47,022	50,773
	<hr/> <hr/>	<hr/> <hr/>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Deposits with licensed bank	20,400	14,910
Cash and bank balances	33,013	48,315
Bank overdrafts	(6,391)	(12,452)
	<hr/>	<hr/>
	47,022	50,773
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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 2023)

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

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 2023 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 2023

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

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

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

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 2024

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101: Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

(ii) Effective for the financial periods beginning on or after 1 January 2025

Amendments to MFRS 121: Lack of Exchangeability

(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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Notes To The Financial Statements
For the financial period ended 31 October 2023

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 30 April 2023.

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 2023 amounting to RM10,871,261 was paid on 18 October 2023.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]**Notes To The Financial Statements****For the financial period ended 31 October 2023****A9 Notes to the Statements of Profit or Loss and Other Comprehensive Income**

	Current quarter ended		Cumulative period ended	
	31 October		31 October	
	2023	2022	2023	2022
Income/(expense):	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	(3,362)	(3,184)	(6,553)	(6,270)
Depreciation of right-of-use assets	(443)	(423)	(887)	(884)
Dividend income from other investments	40	-	40	-
Fair value adjustment on derivative	23	1	-	-
Fair value adjustment on other investments	142	11	(399)	(94)
Fair value adjustment on short term funds	75	-	152	-
Loss on reassessments and modification of leases	-	-	-	(32)
(Loss)/Gain on disposal of property, plant and equipment (net)	(46)	56	(37)	56
Property, plant and equipment written off	(6)	-	(6)	(2)
(Impairment losses)/reversal of impairment losses on trade receivables (net)	(479)	294	(2,196)	(7,042)
Reversal of impairment losses on other receivables (net)	-	23	-	22
Inventories written off	(10)	(14)	(17)	(32)
Reversal of inventories written down (net)	6	3	8	10
Interest income	684	690	1,260	1,071
Interest expense	(2,152)	(2,667)	(4,051)	(4,846)
Foreign exchange (loss)/gain (net)				
- realised	(317)	175	267	1,856
- unrealised	545	209	54	106

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
Notes To The Financial Statements
For the financial period ended 31 October 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	302,275	125,252	427,527
Segment result	10,104	10,380	20,484
Share of results of an associate (net)	-	65	65
	10,104	10,445	20,549
Finance costs	(2,470)	(1,581)	(4,051)
Profit before taxation	7,634	8,864	16,498
Taxation	(1,961)	(2,020)	(3,981)
Profit after taxation	5,673	6,844	12,517
Other information			
Segment assets	543,584	281,368	824,952
Investment in an associate	-	4,133	4,133
	543,584	285,501	829,085
Current tax assets	3,544	-	3,544
Deferred tax assets	122	-	122
Consolidated total assets	547,250	285,501	832,751
Segment liabilities	196,718	223,469	420,187
Current tax liabilities	3,697	1,672	5,369
Deferred tax liabilities	15,948	-	15,948
Consolidated total liabilities	216,363	225,141	441,504

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Notes To The Financial Statements
For the financial period ended 31 October 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	319,692	-	-	319,692
- Export	73,943	33,892	-	107,835
Inter-segment	26,684	-	(26,684)	-
Total revenue	420,319	33,892	(26,684)	427,527
Segment result	18,211	2,273	-	20,484
Finance costs				(4,051)
Share of results of an associate (net)				65
Profit before taxation				16,498
Taxation				(3,981)
Profit after taxation				12,517

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 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 October 2023	30 April 2023
	RM'000	RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries		
<u>Unsecured</u>		
-Limit of guarantee	9,200	9,200
-Amount utilised	4,120	3,679
<u>Secured</u>		
-Limit of guarantee	71,400	71,400
-Amount utilised	30,144	30,131
Corporate guarantees given to third parties for supply of goods and services to a subsidiary		
<u>Unsecured</u>		
-Limit of guarantee	2,000	2,000
-Amount utilised	-	-

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

A14 Capital commitments

	Group	
	31 October 2023	30 April 2023
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	-	-
Authorised but not contracted for	12,610	8,486

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:

	Current quarter ended		Cumulative period ended	
	31 October		31 October	
	2023	2022	2023	2022
Transacting parties and transaction details	RM'000	RM'000	RM'000	RM'000
Formosa Shyen Horng Metal Sdn Bhd - Purchase and tolling services of aluminium billets	37,503	28,190	68,261	63,150
Ritecorp Sdn Bhd - Rental of premises	15	15	30	30
	37,518	28,205	68,291	63,180

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 October 2023

B Additional information required by the Bursa Securities' Listing Requirements

B1 Review of performance

Current quarter ended 31 October 2023

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>2nd Quarter 2024 ("2Q2024")</u>			
Revenue			
- Malaysia	98,301	69,657	167,958
- Overseas	53,711	-	53,711
Total Revenue	152,012	69,657	221,669
Profit From Operations	6,162	6,010	12,172
Net Other Operating (Expenses)/Income	(719)	87	(632)
Finance Costs	(1,325)	(827)	(2,152)
Share of Results of an Associate (net)	-	(15)	(15)
Profit Before Taxation	4,118	5,255	9,373
Taxation	(1,203)	(2,020)	(3,223)
Profit After Taxation	2,915	3,235	6,150
<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	-19.3%	292.4%	7.6%
Profit/(Loss) From Operations	-65.2%	N/A	-26.4%
Profit/(Loss) Before Taxation	-76.6%	N/A	-37.6%
Profit/(Loss) After Taxation	-78.6%	N/A	-44.3%

N/A – Not applicable due to incomparability.

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

B1 Review of performance (continued)

Cumulative period ended 31 October 2023

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>Year To Date FY2024 ("YTD2024")</u>			
Revenue			
- Malaysia	194,440	125,252	319,692
- Overseas	107,835	-	107,835
Total Revenue	302,275	125,252	427,527
Profit From Operations	12,171	10,243	22,414
Net Other Operating (Expenses)/Income	(2,067)	137	(1,930)
Finance Costs	(2,470)	(1,581)	(4,051)
Share of Results of an Associate (net)	-	65	65
Profit Before Taxation	7,634	8,864	16,498
Taxation	(1,961)	(2,020)	(3,981)
Profit After Taxation	5,673	6,844	12,517
<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 (Expense)/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>Variance</u>			
Total Revenue	-24.1%	260.8%	-1.3%
Profit/(Loss) From Operations	-69.0%	N/A	-40.2%
Profit/(Loss) Before Taxation	-76.6%	N/A	-45.5%
Profit/(Loss) After Taxation	-77.4%	N/A	-45.0%

N/A – Not applicable due to incomparability.

B1 Review of performance (continued)

Revenue

For the quarter under review, the Group's revenue increased by 7.6% to RM221.67 million (2Q2023: RM206.09 million) due to higher contribution from the property segment.

Aluminium Segment

The Group's aluminium segment reported revenue of RM152.01 million (2Q2023: RM188.34 million). The decrease of 19.3% was due to lower sales volume and average selling prices compared to the previous year's corresponding quarter.

Property Segment

The Group's property segment reported revenue of RM69.66 million (2Q2023: RM17.75 million) from its Satu Anggota Satu Rumah ("SASaR") and PSV 1 Residences @ Platinum South Valley ("PSV 1 Residences") projects in Bandar Tasik Selatan, Kuala Lumpur.

Profit before taxation ("PBT")

The Group's PBT decreased by 37.6% to RM9.37 million (2Q2023: RM15.03 million) due mainly to lower contribution from the aluminium segment.

Aluminium Segment

For the aluminium segment, the decrease in PBT by 76.6% to RM4.12 million (2Q2023: RM17.59 million) was due mainly to decrease in both revenue and margins.

Property Segment

The Group's property segment reported a PBT of RM5.26 million (2Q2023: loss before taxation of RM2.56 million) due mainly to higher contributions from the SASaR and PSV 1 Residences projects as a result of increases in both sales and work progress.

Profit after taxation

In line with the above, the Group's profit after taxation for 2Q2024 was RM6.15 million (2Q2023: RM11.04 million).

B1 Review of performance (continued)

For the 6 months period

Revenue

For the cumulative period ended 31 October 2023, the Group's revenue decreased by 1.3% to RM427.53 million (YTD2023: RM433.15 million) due mainly to lower contribution from the aluminium segment.

Aluminium Segment

The Group's aluminium segment reported lower revenue of RM302.28 million for YTD2024 compared to the preceding year's corresponding period of RM398.43 million as a result of both lower business volume and selling prices.

Property Segment

The Group's property segment recorded higher revenue of RM125.25 million for YTD2024 (YTD2023: RM34.72 million) from its SASaR and PSV 1 Residences projects as a result of both higher sales and work progress.

Profit before taxation ("PBT")

The Group's PBT decreased by 45.5% to RM16.50 million for YTD2024 (YTD2023: RM30.25 million) due mainly to lower contribution from the aluminium segment.

Aluminium Segment

For the aluminium segment, the PBT decreased by 76.6% to RM7.63 million for YTD2024 (YTD2023: RM32.63 million).

Property Segment

The Group's property segment recorded a PBT of RM8.86 million for YTD2024 (YTD2023: loss before taxation of RM2.38 million) due mainly to higher contribution from the SASaR and PSV 1 Residences projects.

Profit after taxation

In line with the above, the Group's profit after taxation for YTD2024 was RM12.52 million (YTD2023: RM22.75 million).

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B2 Variance of results against preceding quarter

	Aluminium	Property	Total
	RM'000	RM'000	RM'000
<u>2nd Quarter 2024 ("2Q2024")</u>			
Revenue			
- Malaysia	98,301	69,657	167,958
- Overseas	53,711	-	53,711
Total Revenue	152,012	69,657	221,669
Profit From Operations	6,162	6,010	12,172
Net Other Operating (Expenses)/Income	(719)	87	(632)
Finance Costs	(1,325)	(827)	(2,152)
Share of Results of an Associate (net)	-	(15)	(15)
Profit Before Taxation	4,118	5,255	9,373
Taxation	(1,203)	(2,020)	(3,223)
Profit After Taxation	2,915	3,235	6,150
<u>1st Quarter 2024 ("1Q2024")</u>			
Revenue			
- Malaysia	96,139	55,595	151,734
- Overseas	54,124	-	54,124
Total Revenue	150,263	55,595	205,858
Profit From Operations	6,009	4,233	10,242
Net Other Operating (Expense)/Income	(1,348)	50	(1,298)
Finance Costs	(1,145)	(754)	(1,899)
Share of Results of an Associate (net)	-	80	80
Profit Before Taxation	3,516	3,609	7,125
Taxation	(758)	-	(758)
Profit After Taxation	2,758	3,609	6,367
<u>Variance</u>			
Total Revenue	1.2%	25.3%	7.7%
Profit From Operations	2.5%	42.0%	18.8%
Profit Before Taxation	17.1%	45.6%	31.6%
Profit After Taxation	5.7%	-10.4%	-3.4%

B2 Variance of results against preceding quarter (continued)

Revenue

The Group's revenue increased by 7.7% for the quarter under review to RM221.67 million (1Q2024: RM205.86 million). The aluminium segment recorded revenue of RM152.01 million (1Q2024: RM150.26 million), which increased by 1.2% due mainly to higher sales volume compared to the previous quarter. Meanwhile, the property segment recognised a higher revenue at RM69.66 million (1Q2024: RM55.60 million), primarily owing to higher cumulative sales and work progress of the SASaR and PSV 1 Residences projects.

Profit before taxation ("PBT")

The Group's PBT for 2Q2024 stood at RM9.37 million compared to the previous quarter of RM7.13 million. The aluminium segment recorded a higher PBT of RM4.12 million (1Q2024: RM3.52 million) due mainly to higher revenue. Meanwhile, the property segment recorded a PBT of RM5.26 million (1Q2024: RM3.61 million) due mainly to higher contributions from the existing projects.

Profit after taxation

The Group reported a profit after taxation of RM6.15 million for 2Q2024 (1Q2024: RM6.37 million).

B3 Current year prospects

Global economy

For the third quarter of 2023, the global economy continued to grow modestly. China recorded a year-on-year growth of 4.9%, underpinned by a solid recovery in retail sales of consumer goods. Meanwhile, the United States and Euro area grew 2.6% and 0.1% respectively. In October 2023, the IMF has estimated that the global growth will slow from 3.5% in 2022 to 3.0% in 2023. Downside risks include higher-than-expected inflation, prolonged geopolitical tensions, and persistent tight financial conditions.

Malaysian economy

On the domestic front, Malaysia recorded a higher year-on-year growth at 3.3% for the third quarter of 2023 (2Q2023: 2.9%) underpinned by continued improvement in household spending and public consumption. Going forward, the Malaysian economy is expected to achieve a GDP of approximately 4% for 2023, supported by resilient domestic demand. Nonetheless, domestic growth is subject to headwinds of weaker-than-expected global trade activities and rising geopolitical tensions.

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B3 Current year prospects (continued)

Prospects for the Group

For the aluminium segment, the stabilisation of the global aluminium prices augurs well for us as our primary raw material is aluminium billet. However, the weakening of the Malaysian Ringgit vis-à-vis the USD has increased the costs of our imported billets. We will continue to closely monitor our operational costs and selling prices to maintain our margins.

For the property segment, the cumulative sales for the SASaR and PSV 1 Residences as of 31 October 2023 were 90.8% and 62.8% respectively, while cumulative construction progress were 35.7% and 21.3% respectively. The projects will continue contributing positively to the Group as and when we achieve higher sales and work progress.

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current period	3,852	5,287	5,520	11,520
	3,852	5,287	5,520	11,520
Deferred tax				
- relating to origination and reversal of temporary differences	(531)	(729)	(1,072)	(3,425)
- overprovision in prior period	(98)	(572)	(467)	(595)
	(629)	(1,301)	(1,539)	(4,020)
Tax expense	3,223	3,986	3,981	7,500

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 2023	30 April 2023
	RM'000	RM'000
Short-term borrowings		
Bankers' acceptances (unsecured)	108,490	89,430
Revolving credits (unsecured)	20,000	20,000
Bank overdrafts (secured)	6,391	11,966
Term loans		
- secured	144	131
- unsecured	1,480	1,480
	136,505	123,007
Long-term borrowings		
Term loans		
- secured	107,341	91,599
- unsecured	2,960	2,960
	110,301	94,559
Total Borrowings	246,806	217,566

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 and financial period to date.

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B 10 Earnings per share

	Current quarter	Cumulative period
Net profit for the period attributable to ordinary shareholders (RM'000)	4,374	8,698
<i>Basic earnings per share</i>		
Weighted average number of ordinary shares ('000)	434,851	434,851
Basic earnings per share (sen)	1.01	2.00

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

Law Mee Poo
Company Secretary
Date: 6 December 2023