

LB ALUMINIUM BERHAD
[198501006093 (138535-V)]
(Incorporated in Malaysia)

MINUTES OF THE ANNUAL GENERAL MEETING (“AGM”) CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING VIA TRICOR’S TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) OR [HTTPS://TIIH.COM.MY](https://tiih.com.my) (DOMAIN REGISTRATION NUMBER WITH MYNIC: D1A282781) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. (“TIIH”) IN MALAYSIA ON THURSDAY, 29 SEPTEMBER 2022 AT 10:00 A.M.

Board of Directors : Tan Sri Datuk Leow Chong Howa (*Executive Chairman*)
Mr Mark Wing Kong (*Chief Executive Officer*)
Ms Leow Sok Hoon (*Non-Independent Non-Executive Director*)
Mr Yap Chee Woon (*Executive Director*)
Mr Neoh Lay Keong (*Senior Independent Non-Executive Director*)
Dato’ Dr Mohd Husni Bin Ahmad (*Independent Non-Executive Director*)
Mr Toh Khiam Huat (*Independent Non-Executive Director*)
Mr Chew Kat Nyap (*Independent Non-Executive Director*)
Mr Teh Kok Heng (*Independent Non-Executive Director*)

Secretary / Representative / Invitees : Ms Tan Hsiao Yuen (Secretary)
Ms Allison Ng (Partner from Messrs BDO PLT)

The attendance of shareholders, corporate representatives and proxies are as per the Summary of Attendance List via Remote Participation and Voting (“**RPV**”).

1. CHAIRMAN

Tan Sri Datuk Leow Chong Howa (“**Tan Sri Datuk Chairman**”) welcomed the shareholders and attendees to the Company’s AGM. He informed that in view of the Frequently Ask Questions (“FAQ”) on the Conduct of General Meetings for Listed Issuers by the Securities Commission of Malaysia, which was further revised on 7 April 2022, the Company’s AGM is encouraged to be conducted on a fully virtual basis using the TIIH online meeting platform.

Tan Sri Datuk Chairman then introduced the Board of Directors (“**Board**”), Company Secretary and Auditors to the shareholders who participated in the meeting.

2. QUORUM

Tan Sri Datuk Chairman advised that the Company’s Constitution required the presence of at least two (2) members or proxies or corporate representatives to form a quorum. For a fully virtual general meeting, the quorum would be determined by the number of members who logged in at the commencement of the meeting.

Tan Sri Datuk Chairman informed the quorum requirement was met at the start of the meeting and called the meeting to order at 10:11 a.m.

3. NOTICE

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company and announced in Bursa Malaysia Securities Berhad

(“**Bursa Securities**”) within the prescribed time and advertised in *The New Straits Times* on 29 August 2022, was taken as read.

Before proceeding with the business of the AGM, Tan Sri Datuk Chairman informed that according to the Paragraph 8.29A of Bursa Securities Main Market Listing Requirements, all resolutions set out in the notice of a general meeting must be voted by poll and at least one scrutineer must be appointed to validate the votes cast at the general meeting. In view thereof, Tan Sri Datuk Chairman declared that the resolutions in the Notice of the AGM would be voted by poll, which would be conducted after the question-and-answer (“**Q&A**”) session.

Tan Sri Datuk Chairman further explained that in line with the Malaysian Code on Corporate Governance, the Company would seek shareholders’ approval for the proposed Resolutions 8, 9 and 10 through a two-tier voting process.

He added that under the two-tier voting process, only the Large Shareholders of the Company would vote for the resolutions under Tier 1 while shareholders other than the Large Shareholders would vote for the resolutions under Tier 2. The decision for the resolutions would be determined based on the vote of Tier 1 and a simple majority of Tier 2.

Tan Sri Datuk Chairman then briefed the shareholders on the flow of the meeting. Firstly, the Company would go through all the resolutions as set out in the Notice of AGM before proceeding to the Q&A session. During the Q&A Session, the Company would address the questions received from the Minority Shareholders Watch Group (“**MSWG**”) via its letter dated 8 September 2022 before answering the questions submitted by the shareholders electronically before the AGM and also questions raised by shareholders via real-time submission.

He added that as the resolutions tabled at the AGM would be put to vote remotely via the remote participation and voting (“**RPV**”) facilities, the voting on the resolution could be done at any time during the meeting or until such time to be announced later.

At this juncture, TIIH, the Poll Administrator, briefed on the voting procedures and steps for the remote voting was displayed on the video conference’s screen for the shareholders’ information.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON (“AFS”)

The AFS 2022 together with the Directors’ and Auditors Reports, having been circulated to the members within the statutory period, were tabled before the meeting.

Tan Sri Datuk Chairman informed that the AFS 2022 together with the Directors and Auditors Reports were meant for discussion only as the Companies Act 2016 did not require formal approval of the shareholders for the AFS 2022. Therefore, the item was not put forward for voting.

Tan Sri Datuk Chairman declared that the AFS 2022 together with the Reports of the Directors and the Auditors were properly laid and received.

5. ORDINARY RESOLUTION 1: PAYMENT OF A FIRST AND FINAL SINGLE TIER DIVIDEND FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

Tan Sri Datuk Chairman proceeded to the second item on the Agenda. He informed that the Board had proposed the payment of first and final single tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 30 April 2022 which were the same as the previous financial year.

He added that future dividends to be proposed would depend on the future profitability and cash flow position of the Group. He put the following motion to the meeting for consideration:

“THAT the payment of a first and final single tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 30 April 2022 be and is hereby approved.”

6. ORDINARY RESOLUTION 2: DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

Tan Sri Datuk Chairman informed that the proposed Directors’ fees for the financial year ended 30 April 2022 were RM400,000, which were the same as the previous financial year. He put the following motion to the meeting for consideration:

“THAT the payment of Directors’ fees of RM400,000.00 for the financial year ended 30 April 2022 be and is hereby approved.”

7. ORDINARY RESOLUTION 3: DIRECTORS’ BENEFITS FOR THE PERIOD IMMEDIATELY AFTER THIS ANNUAL GENERAL MEETING (“AGM”) UNTIL THE NEXT AGM OF THE COMPANY

Tan Sri Datuk Chairman informed that the proposed Directors’ benefits are the same as the previous financial year, which is RM45,000.00, for the period immediately after this AGM until the next AGM. He put the following motion to the meeting for consideration:

“THAT the payment of Directors’ benefits of up to RM45,000.00 for the period immediately after this AGM until the next AGM of the Company be and is hereby approved.”

8. ORDINARY RESOLUTION 4: RE-ELECTION OF MR TOH KHIAM HUAT AS DIRECTOR

Tan Sri Datuk Chairman proceeded to Ordinary Resolution 4 and he put the following motion to the meeting for consideration:

“THAT Mr Toh Khiam Huat, retiring pursuant to Clause 76(3) of the Company’s Constitution and being eligible, be and is hereby re-elected as Director of the Company.”

9. ORDINARY RESOLUTION 5: RE-ELECTION OF MR CHEW KAT NYAP AS DIRECTOR

Tan Sri Datuk Chairman moved on to Ordinary Resolution 5 and he put the following motion to the meeting for consideration:

“THAT Mr Chew Kat Nyap, retiring pursuant to Clause 76(3) of the Company’s Constitution and being eligible, be and is hereby re-elected as Director of the Company.”

10. ORDINARY RESOLUTION 6: RE-ELECTION OF MR TEH KOK HENG AS DIRECTOR

Tan Sri Datuk Chairman put the following motion to the meeting for consideration:

“THAT Mr Teh Kok Heng, retiring pursuant to Clause 76(3) of the Company’s Constitution and being eligible, be and is hereby re-elected as Director of the Company.”

11. ORDINARY RESOLUTION 7: RE-APPOINTMENT OF MESSRS BDO PLT AS AUDITORS OF THE COMPANY

Tan Sri Datuk Chairman moved on to the next item of the agenda, which was on the re-appointment of Auditors. He added that the Company’s External Auditors, Messrs BDO PLT, had indicated their willingness to continue in office.

Tan Sri Datuk Chairman then put the following motion to the meeting for consideration:

“THAT Messrs BDO PLT be and are hereby re-appointed as Auditors of the Company at the remuneration to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting.”

12. ORDINARY RESOLUTION 8: CONTINUATION IN OFFICE OF MR TOH KHIAM HUAT AS INDEPENDENT DIRECTOR

Tan Sri Datuk Chairman informed that the proposed Ordinary Resolution 8, if passed, would enable Mr Toh Kham Huat to be retained as Independent Director of the Company. He then put the following motion to the meeting for consideration:

“THAT subject to the passing of the Ordinary Resolution 4 above, approval be and is hereby given for Mr Toh Kham Huat, who has served as Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Director of the Company and to hold office until the conclusion of the next AGM of the Company.”

13. ORDINARY RESOLUTION 9: CONTINUATION IN OFFICE OF MR CHEW KAT NYAP AS INDEPENDENT DIRECTOR

Tan Sri Datuk Chairman informed that the proposed Ordinary Resolution 9, if passed, would enable Mr Chew Kat Nyap to be retained as Independent Director of the Company. He then put the following motion to the meeting for consideration:

“THAT subject to the passing of the Ordinary Resolution 5 above, approval be and is hereby given for Mr Chew Kat Nyap, who has served as Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Director of the Company and to hold office until the conclusion of the next AGM of the Company.”

14. ORDINARY RESOLUTION 10: CONTINUATION IN OFFICE OF MR TEH KOK HENG AS INDEPENDENT DIRECTOR

Tan Sri Datuk Chairman informed that the proposed Ordinary Resolution 10, if passed, would enable Mr Teh Kok Heng to be retained as Independent Director of the Company. He then put the following motion to the meeting for consideration:

“THAT subject to the passing of the Ordinary Resolution 6 above, approval be and is hereby given for Mr Teh Kok Heng, who has served as Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Director of the Company and to hold office until the conclusion of the next AGM of the Company.”

Tan Sri Datuk Chairman also highlighted that Mr Neoh Lay Keong (“**Mr Neoh**”) and Dato’ Dr Mohd Husni Bin Ahmad (“**Dato’ Dr Mohd Husni**”), who have each served the Board for more than twelve (12) years, had indicated that they will be stepping down as Independent Directors upon the conclusion of this AGM.

Tan Sri Datuk Chairman, on behalf of the Board and Management of the Company, thanked Mr Neoh and Dato’ Dr Mohd Husni for their services and valuable contributions to the Board and the Company, and wished them every success in their next endeavour.

15. ORDINARY RESOLUTION 11: AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The full text of Ordinary Resolution 11 was taken as read and Tan Sri Datuk Chairman put the following motion as set out in the Notice of AGM to the meeting for consideration:

*“THAT subject always to the Companies Act 2016 (“**Act**”), the Constitution of the Company, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting.”*

16. ORDINARY RESOLUTION 12: PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

Tan Sri Datuk Chairman moved on to the next item of the agenda, which was the proposed renewal of authority to purchase its own shares by the Company. Tan Sri Datuk Chairman also explained that details on the proposed renewal of authority for share buy-back are contained in the Statement to Shareholders dated 29 August 2022.

The full text of Ordinary Resolution 12 was taken as read. Tan Sri Datuk Chairman put the following motion to the meeting for consideration:

*“THAT subject always to the Companies Act 2016 (“**Act**”), the Constitution of the Company, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”) and all other applicable laws, guidelines, rules*

and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of issued shares in the Company (“**Shares**”) purchased (“**Purchased Shares**”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and*
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,*

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;*
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or*
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,*

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;*
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;*
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;*
- (iv) To resell all or part of the treasury shares;*
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees’ share scheme established by the Company and/or its subsidiaries;*
- (vi) To transfer all or part of the treasury shares as purchase consideration;*

- (vii) *To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for the Company may by order prescribe; and/or*
- (viii) *To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.*

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

Tan Sri Datuk Chairman then passed the Chairmanship to Mr Neoh as he was interested in the next agenda item.

17. ORDINARY RESOLUTION 13: PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS’ MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RRPT MANDATE”)

Mr Neoh highlighted that the details of the Proposed RRPT Mandate were set out in the circular to shareholders dated 29 August 2022.

Mr Neoh further explained that the interested Directors, Major Shareholders and also persons connected to them (if any) will abstain from voting on the proposed resolution in respect of their direct and indirect shareholdings.

The full text of Ordinary Resolution 13 was taken as read and Mr Neoh put the following motion as set out in the Notice of AGM to the meeting for consideration:

“THAT subject to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries (“Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 29 August 2022, provided that such arrangements and/or transactions which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the “Proposed RRPT Mandate”).

THAT the Proposed RRPT Mandate shall only continue to be in full force until:

- (a) *the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such mandate was passed, at which time it will lapse unless by a resolution passed at the said AGM, such authority is renewed;*
- (b) *the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but*

- must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or*
- (c) *revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,*

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed RRPT Mandate.”

Mr Neoh then handed the chair back to Tan Sri Datuk Chairman for him to continue with the meeting.

18. ANY OTHER BUSINESS

Tan Sri Datuk Chairman informed that the Company had not received any notice to deal with any other business, for which due notice was required to be given pursuant to the Companies Act 2016, and that since all items on the agenda had been dealt with, the meeting would proceed to the Q&A session.

19. QUESTION-AND-ANSWER SESSION

Upon invitation by Tan Sri Datuk Chairman, Mr. Mark Wing Kong addressed the questions received by the Company from MSWG and shareholders. He read out the questions in relation to the Company's operational, financial and corporate governance matters raised by MSWG via its letter dated 8 September 2022 and the questions posed by shareholders before and during the AGM. The summary of responses and the Key Matters Discussed at the AGM is attached hereto as ("**Appendix A**") and formed part of these minutes.

He added that questions that could not be addressed during the Q&A session due to time constraint would be published on the Company's website after the AGM.

Tan Sri Datuk Chairman closed the Q&A session at 10:57 a.m.

20. CONDUCT OF POLL

Having dealt with all the agenda items set out in the Notice of AGM, the meeting proceeded to vote on all the Ordinary Resolutions by poll. Tan Sri Datuk Chairman declared the voting session closed at 11:02 a.m. and the meeting was adjourned at 11:03 a.m. for the counting of votes.

Upon the completion of the counting of votes by the Poll Administrator and verification of the results by Asia Securities Sdn Berhad (the Independent Scrutineer), Tan Sri Datuk Chairman resumed the meeting at 11:22 a.m. for the declaration of the result of the poll. Based on the following poll results, Tan Sri Datuk Chairman declared all the Ordinary Resolutions carried.

LB ALUMINIUM BERHAD [198501006093 (138535-V)]
- Minutes of the Annual General Meeting held on 29 September 2022

RESOLUTION	VOTE IN FAVOUR			VOTE AGAINST			RESULTS
	No. of Person	No. of Shares	%	No. of Person	No. of Shares	%	
Ordinary Resolution 1	108	177,568,755	99.9796	7	36,229	0.0204	CARRIED
Ordinary Resolution 2	99	177,317,490	99.8381	17	287,504	0.1619	CARRIED
Ordinary Resolution 3	98	177,316,490	99.8376	18	288,504	0.1624	CARRIED
Ordinary Resolution 4	101	177,520,489	99.9524	15	84,505	0.0476	CARRIED
Ordinary Resolution 5	101	177,506,489	99.9445	15	98,505	0.0555	CARRIED
Ordinary Resolution 6	100	177,506,479	99.9445	15	98,505	0.0555	CARRIED
Ordinary Resolution 7	106	177,566,565	99.9784	10	38,429	0.216	CARRIED
Ordinary Resolution 8	Tier 1: 2 Tier 2: 97	Tier 1: 131,203,460 Tier 2: 46,127,854	Tier 1: 100.0000 Tier 2: 99.4102	Tier 1: 0 Tier 2: 17	Tier 1: 0 Tier 2: 273,690	Tier 1: 0.0000 Tier 2: 0.5898	CARRIED
Ordinary Resolution 9	Tier 1: 2 Tier 2: 96	Tier 1: 131,203,460 Tier 2: 46,127,844	Tier 1: 100.0000 Tier 2: 99.4102	Tier 1: 0 Tier 2: 17	Tier 1: 0 Tier 2: 273,680	Tier 1: 0.0000 Tier 2: 0.5898	CARRIED
Ordinary Resolution 10	Tier 1: 2 Tier 2: 96	Tier 1: 131,203,460 Tier 2: 46,127,844	Tier 1: 100.0000 Tier 2: 99.4102	Tier 1: 0 Tier 2: 17	Tier 1: 0 Tier 2: 273,680	Tier 1: 0.0000 Tier 2: 0.5898	CARRIED
Ordinary Resolution 11	98	177,378,901	99.8727	17	226,083	0.1273	CARRIED
Ordinary Resolution 12	107	177,565,015	99.9775	9	39,979	0.0225	CARRIED
Ordinary Resolution 13	102	46,348,355	99.9134	11	40,179	0.0866	CARRIED

21. CLOSURE

Tan Sri Datuk Chairman thanked everyone and closed the meeting at 11:23 a.m.

**CONFIRMED AS A CORRECT
RECORD**

-SIGNED-

**TAN SRI DATUK LEOW CHONG HOWA
CHAIRMAN**

Dated this 9th day of November 2022

LB ALUMINIUM BERHAD
[198501006093 (138535-V)]
(Incorporated in Malaysia)

QUESTION-AND-ANSWER SESSION AND SUMMARY OF KEY MATTERS DISCUSSED AT THE ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY HELD ON THURSDAY, 29 SEPTEMBER 2022 AT 10:00 A.M.

QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP	
Questions	The Company’s Response
<p>1. Despite generating a higher revenue of RM686,616,000 in FY2022 (FY2021: Revenue of RM527,175,000), the Group posted a lower profit of RM38,538,000 compared to a profit of RM40,561,000 in FY2021. This represents a decline of RM2,023,000 or 5% (Page 84 of the Annual Report 2022).</p> <p>a. How does the Board plan to address the Group’s bottom-line performance in FY2023?</p> <p>b. Considering inflationary concerns and rising interest rates (Page 57 of the Annual Report 2022), to what extent will these elements impact the Group’s financial performance adversely?</p>	<p>a. The Group’s revenue of RM686,616,000 and RM527,175,000 for FY2022 and FY2021 respectively were generated solely from the Aluminium Segment. The Aluminium Segment’s profit after tax for FY2022 and FY2021 were RM39,337,000 and RM30,798,000 respectively representing an increase of 27.7% which is in line with the rise in revenue.</p> <p>The lower profit after tax of RM38,538,000 for FY2022 compared to RM40,561,000 for FY2021 was due mainly to lower contribution from the Property Segment. This was due to lower contribution from the share of results from our property associate of RM5,005,000 for FY2022 compared to RM10,980,000 for FY2021 as the project of the associate is approaching completion. In addition, preliminary expenses incurred by our property subsidiaries increased to RM5,084,000 for FY2022 compared to RM1,217,000 for the previous year.</p> <p>Moving forward, for the Aluminium Segment, we will focus on expanding our export business, diversifying our customer base and vigilantly managing volatile raw material prices.</p> <p>b. Like other Malaysian manufacturers, we expect our production costs and borrowing costs to go up in the foreseeable future if inflationary pressures and rising interest rates persist. We will remain vigilant and adjust our selling prices whenever necessary to protect our margins.</p>
<p>2. The Group’s marketing and distribution expenses increased significantly by 68.46%, from RM30,105,000 in FY2021 to RM50,714,000 in FY2022 (Page 84 of the Annual Report 2022).</p> <p>a. What are the reasons for the significant increase in the abovementioned expenses in FY2022? How are these expenses related to the increase in revenue in FY2022?</p>	<p>a. The significant increase was due to logistic costs as a result of higher export sales. The Group recorded a 51% or RM93.470 million increase in export revenue to RM277.241 million in FY2022 (FY2021:RM183.771 million). Export sales contributed approximately 40% to the Group’s total revenue in FY2022 compared to about 35% in the previous financial year. The higher logistic costs were exacerbated by the increase in container shipping costs during the financial year under review compared to the previous year.</p>

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Questions	The Company’s Response
<p>b. Does the Group expect these expenses to remain at the same level in FY2023?</p>	<p>b. Whether these expenses remain at the same level in FY2023 will depend on the level of our export sales as well as container shipping costs.</p>
<p>3. The Group recorded a share of profit of an associate of RM5,005,000 in FY2022, which is lower by RM5,975,000 or 54.42% compared to the share of profit of RM10,980,000 recorded in FY2021 (Page 84 of the Annual Report 2022).</p> <p>a. What are the main reasons for the lower share of profit recorded in FY2022?</p> <p>b. What is the outlook for the associate company in FY2023?</p>	<p>a. Our associate, Vistarena Development Sdn Bhd, has contributed lower profit in FY2022 due mainly to the lower work progress recognized (FY2022: 20.5% vs FY2021: 43.4%). During the financial year, the construction progress of the Residensi Platinum OUG project was towards the end, and the company subsequently completed the project in June 2022.</p> <p>b. Vistarena Development Sdn Bhd completed the Residensi Platinum OUG project in June 2022.</p>
<p>4. <u>Aluminium Segment</u></p> <p>a. In terms of value, what is the Segment’s existing orders? What is the targeted order replenishment in the next two financial years?</p> <p>b. What is the previous, current, and targeted capacity utilisation rates for the Segment’s factories?</p>	<p>a. For the aluminium extrusion business, orders are generally short-term as selling prices are pegged to raw material costs i.e. aluminium which is quoted daily on the London Metal Exchange. As with any commodities, aluminium prices can fluctuate considerably. Notwithstanding, we foresee that orders will continuously be received from customers in the future in tandem with the growth of the Malaysian economy and global demand for aluminium.</p> <p>b. The Group’s current capacity utilization is approximately 20% below our optimal level due mainly to labour shortage. The capacity utilization is approximately 10% lower than the previous year.</p>
<p>5. <u>Property Segment</u></p> <p>In May 2022, the Group launched the Satu Anggota Satu Rumah (“SASaR”) residential project at Bandar Tasik Selatan. The SASaR project comprises 3,500 residential units to be developed for the Malaysian armed forces, with a GDV of RM633.8 million (Page 59 of the Annual Report 2022).</p> <p>a. What is the current progress of SASaR project?</p>	<p>a. As at 31 July 2022, the cumulative sales and construction progress of the SASaR project were 26.7% and 10.0% respectively with another 2,300 units booked pending signing of sales and purchase agreements.</p>

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Questions	The Company’s Response																																			
<p>b. What is the current total sales for the residential properties? What are the targeted sales for FY2023?</p> <p>c. With the inclusion of this new project, does the Segment expect a turnaround in its bottom-line performance in FY2023 (FY2022: Loss after tax of RM799,000 [page 61 of the Annual Report 2022])?</p>	<p>b. For the 1st quarter ended 31 July 2022, the cumulative revenue recognized for the SASaR project was RM16.965 million. The revenue from SASaR will increase in the remaining period of FY2023 with the signing of additional sales and purchase agreements and the advancement of construction works.</p> <p>c. We expect the Property Segment to contribute positively to the Group’s bottom-line in FY2023.</p>																																			
<p>6. As disclosed on page 33 of the Annual Report 2022, the amount paid for non-audit fee to the Auditors amounted to RM181,336. This was 77.83% of the audit fees of RM233,000 (page 139 of the Annual Report 2022).</p> <p>a. Please provide the breakdown of the non-audit fees.</p>	<p>a. The following are the details of the non-audit fees for FY2022 and FY2021:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">No.</th> <th style="text-align: center;">Company</th> <th style="text-align: center;">Nature of Services</th> <th style="text-align: center;">FY2022 (RM)</th> <th style="text-align: center;">FY2021 (RM)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>BDO Governance Advisory Sdn Bhd</td> <td>Training on Anti-Bribery and Corruption Policy</td> <td style="text-align: right;">58,300</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>BDO Tax Services Sdn Bhd</td> <td>Advisory services on transfer pricing documentation</td> <td style="text-align: right;">51,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td></td> <td>Tax advisory services</td> <td style="text-align: right;">57,850</td> <td style="text-align: right;">50,476</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Tan Choon Chye Management Services (Pte) Ltd</td> <td>Tax advisory services</td> <td style="text-align: right;">4,362</td> <td style="text-align: right;">4,271</td> </tr> <tr> <td style="text-align: center;">4.</td> <td>JK Huan & Co</td> <td>Tax advisory services</td> <td style="text-align: right;">9,824</td> <td style="text-align: right;">2,600</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Total</td> <td style="text-align: right;">181,336</td> <td style="text-align: right;">57,347</td> </tr> </tbody> </table> <p>The management has shortlisted a few consultants in FY2022 for the provisions of training on the Anti-Bribery and Corruption Policy and advisory services on transfer pricing documentation. After considering the experience, knowledge, fee competitiveness and coverage area, the management has engaged BDO Governance Advisory Sdn Bhd and BDO Tax Services Sdn Bhd to provide the respective services.</p>	No.	Company	Nature of Services	FY2022 (RM)	FY2021 (RM)	1.	BDO Governance Advisory Sdn Bhd	Training on Anti-Bribery and Corruption Policy	58,300	-	2.	BDO Tax Services Sdn Bhd	Advisory services on transfer pricing documentation	51,000	-			Tax advisory services	57,850	50,476	3.	Tan Choon Chye Management Services (Pte) Ltd	Tax advisory services	4,362	4,271	4.	JK Huan & Co	Tax advisory services	9,824	2,600			Total	181,336	57,347
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LB ALUMINIUM BERHAD
[198501006093 (138535-V)]
(Incorporated in Malaysia)

QUESTION-AND-ANSWER SESSION AND SUMMARY OF KEY MATTERS DISCUSSED AT THE ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY HELD ON THURSDAY, 29 SEPTEMBER 2022 AT 10:00 A.M.

Questions	The Company’s Response
<p>b. What is the audit committee’s policy when it comes to non-audit fees paid to the external auditor? Is there a percentage limit?</p>	<p>b. Currently, no policy or limit is set for non-audit fees paid to external auditors or their associates. For FY2022, the external auditors had confirmed to the Audit Committee that they were unaware of any matter that impairs their professional independence concerning the audit engagement. Moving forward, the Audit Committee will continue to monitor the non-audit services’ engagement to safeguard the external auditors’ independence in carrying out their audit works.</p>

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QUESTIONS FROM SHAREHOLDERS	
Questions	The Company’s Response
7. When will we revert to physical AGM or possible to have a hybrid physical/online AGM?	As Malaysia is still transitioning from the Covid-19 pandemic to the endemic phase, the safety and health of the stakeholders continue to be the Management’s primary concerns. The Company will closely monitor the Covid-19 situation in the country and adhere to the guidelines and instruction from the Securities Commission and Bursa Malaysia Securities Berhad in conducting future AGMs.
8. Any door gifts?	The Management has not arranged for any door gifts for this AGM. However, the Board will look into this in the future.
9. May I know what the Company’s future outlook is? 10. What is the strategy for the next 6 months? 11. How can the Company improve its business and make it better than FY2022?	<p>Moving forward, the Management expects the global demand for aluminium to sustain despite the rising global inflationary pressures.</p> <p>The Group’s aluminium business is expected to be bright, supported by sustainable orders from local and overseas customers. The recent stabilisation of the global aluminium prices also augurs well for the Group as aluminium is the Company’s primary raw material. The Company will focus on expanding the export business, diversifying the customer base, and managing volatile raw material prices vigilantly. At the same time, the Management will continue improving the product quality, delivery lead time, and after-sales service to the customers.</p> <p>For the property segment, the Group’s associate, Vistarena Development Sdn Bhd, completed the development of the Residensi Platinum OUG project in June 2022. Meanwhile, the Group’s subsidiary, Pembinaan Serta Hebat Sdn Bhd, has achieved cumulative sales and construction progress of 26.7% and 10.0% respectively for its SASaR project as of 31 July 2022.</p> <p>Barring unforeseen circumstances, we are cautiously optimistic that the Group will remain profitable for the financial year 2023.</p>
12. What is the trend of raw material prices for the next 6 months? 13. What is the trend of shipping costs for the next 6 months?	Currently, the raw material prices and shipping costs have stabilised, and we expect these to remain at about the same level for the next 6 months.
14. How do you manage supply chain disruption? Can the Company pass on the increased cost to customers to maintain the margins?	Management did not encounter any supply disruption at the height of the pandemic and does not foresee any such disruption, moving forward.

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Questions	The Company’s Response
	The Management normally can pass on most of the cost increased to customers.
15. In view of the recent implementation of minimum wages, what is the expected impact (in terms of profit) in the current year?	The implementation of the minimum wages starting from 1 May 2022 has had no significant impact on the Group’s profitability.
16. Aluminium price has decreased from its peak of USD3,900/MT to current USD2,100/MT. How will the Company’s profit be affected?	There is no material impact on the Company’s profit as the Management simultaneously locked in the selling prices back-to-back with the raw material costs. Management will vigilantly manage fluctuations in raw material prices and adjust the selling prices to safeguard the margins.
17. Average gross and net margins of aluminium products?	For FY2022, the aluminium segment’s gross profit margins range from 5% to 20%, while the net profit margin is approximately 6%.
18. May I know how much this virtual AGM cost?	The cost of the virtual AGM is approximately RM21,000.
19. Impairment of RM1,468,000 towards the investments in subsidiaries:- <ul style="list-style-type: none"> - Which are the subsidiaries that have declined in operations and are being impaired? - Base scenario states that revenue growth can reach up to 51% in FY2023. What is the basis for the Group to set this significant growth in revenue? - The administrative expenses are projected to grow only 2% for the next 5 years. With our Malaysian inflation rate reaching 4%, is the 2% projection reasonable? 	<p>Based on the cash flow forecasts, including revenue and administrative expenses growth rates, the Company has impaired the investment costs in two subsidiaries that provide performance tests and manufacturing of metal products, metal stamping and engineering works respectively.</p> <p>The assumptions used, which have been reviewed by our auditors, reflect the market conditions and other relevant indicators at the time when the forecasts were prepared.</p> <p>The impairment is at the Company’s level only and has no impact on the Group’s consolidated results.</p>
20. The property development expenditure has increased significantly. From the movement schedule, it does not seem to have revenue recognized from such development costs. Is there any recoverability issue for these development costs? When will the revenue be recognized from these development costs incurred by the Group?	<p>No, there is no recoverability issue for the development.</p> <p>The revenue recognition commences from 1 May 2022 onwards, following the signing of the first sales and purchase agreement for the SASaR project.</p>

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Questions	The Company’s Response
21. How are the sales of the property project? Have all the units been sold? Have sales been affected by the raw material price increase? What is a realistic gross margin?	<p>The Group’s associate completed the Residensi Platinum OUG project in June 2022, with 99.9% cumulative sales. Meanwhile, the Group’s subsidiary, Pembinaan Serta Hebat Sdh Bhd, has recorded cumulative sales of 26.7% for the SASaR project as of 31 July 2022.</p> <p>There is no significant impact from the increase in raw material prices as the contract for the project was awarded to the main contractor earlier.</p>
22. Any plan to increase dividend payout?	The Board has proposed the payment of a first and final single-tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 30 April 2022. Future dividend payout will depend on the Group’s future profitability and cash flow position.
23. What is LB Aluminium Berhad’s competitive advantage compared to its peers?	The Group’s competitive advantages over its peers are that we are Malaysia’s largest supplier of aluminium extrusion products and have a solid financial position. The Group provides integrated services from die fabrication and extrusion to value-added finishing and offers the broadest range of consistent quality products of various complexities and finishings. The Group also has a wide network of branches and subsidiaries to serve customers in West and East Malaysia.
24. The Company’s share price remains low at below 50 cents compared with the NTA of 86 cents? What initiatives is the Board taking to ensure more shareholders or investors are interested in the company?	While the Company’s share price movement is beyond the Management’s control, the Board and the Management will continue to focus on improving the Company’s financial performance and balance sheet.
25. Of the one-million square feet of land in Tasik Selatan, what percentage has been developed? Has it been converted and how much premium has been paid?	The Group’s SASaR project will take up about 45% of the land in Bandar Tasik Selatan. The land is acquired with “ <i>Kategori Penggunaan Tanah untuk Bangunan</i> ”.

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Questions	The Company’s Response
<p>26. In compliance with CG guidelines, the Company should not retain independent non-executive directors after 12 years. After 9 years, these independent directors should be phased out. 3 independent directors are in this category. What is the Company’s plan to phase them out in order to enhance the independence of these directors in the eyes of the minority shareholders?</p>	<p>Pursuant to the Malaysian Code on Corporate Governance, shareholders' approval is required if the Company intends to retain an independent director who has served in that capacity for more than 9 years.</p> <p>The Company tabled the ordinary resolutions 8, 9, and 10 in the Company’s AGM held on 29 September 2022 for shareholders’ approval to retain the 3 Independent Directors who have served the Company for more than 9 years. The Board has, through the Nomination Committee, assessed their independence and recommended that they continue to act as Independent Directors of the Company. The justifications have been explained in the Notice of AGM dated 29 August 2022.</p>

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