

LB ALUMINIUM BERHAD

Company No. 138535-V

(Incorporated in Malaysia)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT UJONG PANDANG ROOM, STAFFIELD COUNTRY RESORT, BATU 13, JALAN SEREMBAN-KUALA LUMPUR (COUNTRY ROAD), 71700 MANTIN, NEGERI SEMBILAN DARUL KHUSUS ON THURSDAY, 29 SEPTEMBER 2016 AT 10.00 A.M.

Datuk Leow Chong Howa (“Datuk Leow”) chaired the Annual General Meeting (“AGM”) of the Company. Datuk Leow called the meeting to order at 10.00 a.m. after confirmation of the requisite quorum being present pursuant to Article 57 of the Company’s Articles of Association.

Datuk Leow invited questions from the shareholders of the Company for each of the resolutions tabled at the AGM and the Directors replied as follows to the key matters raised by the shareholders:-

- i. The Board had not carried out any share buy-back exercise as it would like to maintain a healthy cash balance in the Group’s accounts in view of the uncertain economic outlook. In addition, despite a healthy bank balance and cash, the Group had continued to borrow in order to maintain the relationships with the financial institutions for future borrowing needs.
- ii. The Board would look into a shareholder’s suggestion on bonus issue and seek the advisers’ opinion on the same, if the Company decided to do so.
- iii. The increase in other expenses in the financial year ended 30 April 2016 was mainly due to write-off of Property, Plant and Equipment and provision of doubtful debts.
- iv. Management had experienced a slight deterioration in receivables collection but there was no recoverability issue. The Company’s Auditors had also reviewed the recoverability of the major trade receivable accounts in the Group before issuing the Auditors’ Report and they had not raised any issue on the same.
- v. The Board had increased the dividend pay-out rate in the financial year 2014. In view of the uncertain economic outlook and in order to maintain a healthy financial position for the Company, the Board had decided to take a more conservative approach in dividend distribution. The Board would take into consideration a shareholder’s suggestion to propose a higher dividend in the next financial year, subject to the performance of the Group.
- vi. The increase of Directors’ remuneration was due to salary increments. He added that instead of annual increments, the Directors’ salaries were increased once every two or three years.
- vii. Mr Neoh has continued to remain objective and demonstrate his independence at Board meetings. He has no dealings with the Group. He has also committed sufficient time to the Group as evidenced by his full attendance at Board and Committee

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meetings. During Board and Committee meetings, Mr Neoh continued to ask pertinent question about the Group's results and other operational and corporate issues including meeting with the external auditors without presence of management.

- viii. Even though the Company did not exercise the share buy-back in the past, the mandate for share buy-back should be put in place as a preventive measure against speculations and to stabilise the Company's share price in the event of unforeseen circumstances in the best interest of the Company and the shareholders.
- ix. The proposed amendments to the Company's Articles of Association ("AA") are to align the Company's AA with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Bursa Securities had shortened the timeframe for issuance of annual report that includes the Annual Audited Financial Statements to four months with effect from 31 December 2015. Therefore, the said six months' timeframe as stated in Article 111 would become irrelevant.

The voting in respect of all the resolutions tabled at the AGM was carried out by way of polling and all the resolutions were duly passed by the shareholders.

There being no other business, the meeting concluded at 11.05 a.m. with a vote of thanks to the Chair.