

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of LB Aluminium Berhad ("the Company") will be held at Ujong Pandang Room, Stafffield Country Resort, Batu 13, Jalan Seremban-Kuala Lumpur (Country Road), 71700 Mantin, Negeri Sembilan Darul Khusus on Monday, 30 September 2019 at 10:00 a.m. for the following purposes:-

LB Aluminium Berhad (138535-V)
(Incorporated in Malaysia)

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 April 2019 together with the Reports of the Directors and Auditors thereon. **[Please see Note 2] (Resolution 1)**
- To approve the payment of a first and final single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 April 2019. **(Resolution 2) [Please see note 3]**
- To approve the payment of Directors' fees of RM400,000.00 for the financial year ended 30 April 2019. **(Resolution 3) [Please see note 3]**
- To approve the payment of Directors' benefits of up to RM45,000.00 for the period from 1 October 2019 until the next Annual General Meeting of the Company. **(Resolution 4) [Please see note 4]**
- To re-elect the following Directors who retire in accordance with Articles 75 and 77 of the Articles of Association of the Company:-
(i) Mr Toh Khiam Huat
(ii) Mr Chew Kat Nyap
(iii) Mr Teh Kok Heng **(Resolution 5) [Please see note 4]**
- To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7) [Please see note 5]**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions:

- Ordinary Resolutions**
Continuation in Office as Independent Directors **[Please see Note 6] (Resolution 8)**
 - "THAT approval be and is hereby given for Mr Neoh Lay Keong who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of the next annual general meeting of the Company."
 - "THAT approval be and is hereby given for Dato' Dr Mohd Husni Bin Ahmad who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of the next annual general meeting of the Company."

- Ordinary Resolution**
Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 **[Please see Note 7] (Resolution 10)**

"THAT subject always to the Companies Act 2016 ("Act"), the Articles of Association of the Company (and the Constitution of the Company being adopted upon the passing of the Special Resolution below), 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 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."

- Ordinary Resolution**
Proposed Renewal of Authority for Share Buy-Back **[Please see Note 8] (Resolution 11)**

"THAT subject always to the Companies Act 2016 ("Act"), the Articles of Association of the Company (and the Constitution of the Company being adopted upon the passing of the Special Resolution below), 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:

 - 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
 - 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:

 - 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;
 - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
 - 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:

- To cancel all or part of the Purchased Shares;
- To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- To resell all or part of the treasury shares;
- 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;
- To transfer all or part of the treasury shares as purchase consideration;
- To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- 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 authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository accounts) 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."

- Ordinary Resolution**
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 **[Please see Note 9] (Resolution 12)**

"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 30 August 2019, 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:-

 - the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
 - 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 shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - 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."

- Special Resolution**
Proposed Alteration of the Existing Memorandum and Articles of Association by Replacing with a New Constitution ("Proposed Alteration") **[Please see Note 10] (Resolution 13)**

"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in the Annexure A attached herewith with effect from the date of passing of this special resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

12. To consider any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Annual General Meeting to be held on 30 September 2019, the first and final single tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 April 2019 will be paid on 18 October 2019 to Depositors whose names appear in the Record of Depositors on 3 October 2019. A Depositor shall qualify for entitlement to the dividend only in respect of:-

- shares transferred into the depositor's securities account before 4:30 p.m. on 3 October 2019 in respect of transfers; and
- shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Wong Wai Foong (MAICSA 7001358)

Ng Bee Lian (MAICSA 7041392)

Yap Sit Lee (MAICSA 7028098)

Company Secretaries

Kuala Lumpur
30 August 2019

Notes:

1. APPOINTMENT OF PROXY

- A proxy need not be a member of the Company. There is no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak in the meeting.
- A member of the Company who is entitled to attend and vote at the meeting may appoint more than two (2) proxies to attend and vote in his stead except where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy, must be in writing (in the common or usual form) under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hands of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the registered office of the Company located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or at any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 20 September 2019 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on their behalf.

- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019**

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, will not be put forward for voting by shareholders of the Company.

3. PAYMENT OF DIRECTORS' FEES AND BENEFITS

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The proposed Resolutions 2 and 3 are to facilitate the payment of Directors' fees and benefits to the Directors.

The proposed Resolution 3 for the Directors' benefits (being meeting allowances) are calculated based on the current Board of Directors ("Board") size and the number of scheduled Board and Audit Committee meetings for the period from 1 October 2019 up to the next Annual General Meeting. Each member of the Board and Audit Committee of the Company will be paid meeting allowance of RM500.00 per meeting for their attendance at the Board and Audit Committee meetings of the Company.

In the event the proposed amount of Directors' fees and/or benefits are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

4. RE-ELECTION OF DIRECTORS

Mr Toh Khiam Huat, Mr Chew Kat Nyap and Mr Teh Kok Heng are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Annual General Meeting.

The Board has through the Nomination Committee ("NC"), considered the assessment of the said Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements ("the MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors.

The Board has also through the NC conducted an assessment on the independence of the said Directors and satisfied that they have complied with the criteria on independence as prescribed by the MMLR of Bursa Securities.

5. RE-APPOINTMENT OF AUDITORS

The Board has through the Audit Committee, considered the re-appointment of Messrs BDO PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table the re-appointment of Messrs BDO PLT at the forthcoming Annual General Meeting, included an assessment of the Auditors' independence and objectivity, caliber and quality process/performance.

EXPLANATORY NOTES TO SPECIAL BUSINESS

6. CONTINUATION IN OFFICE AS INDEPENDENT DIRECTORS

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine years.

Mr Neoh Lay Keong and Dato' Dr Mohd Husni Bin Ahmad were appointed to the Board on 25 August 1997 and 31 July 2006 respectively as Independent Directors. They have therefore served for more than nine (9) years.

The Board has through the NC, assessed the independence of both Mr Neoh Lay Keong and Dato' Dr Mohd Husni Bin Ahmad and recommended them to continue to act as Independent Directors of the Company based on the following justifications:-

- they had fulfilled the criteria under the definition on Independent Director as stated in the MMLR of Bursa Securities and were therefore able to bring independent and objective judgment to the Board;
- they have been with the Group for many years and possessed deep understanding of the Group's business operations, and had continued to critically and constructively challenge and contribute to the development of effective business strategy and direction of the Company during Board and Board committees' meetings;
- their long tenure with the Company had neither impaired nor compromised their independent judgement. They were free from any business or other relationships which could interfere with the exercise of independent judgement;
- they provided effective check and balance in the proceeding of the Board and the Board committees;
- they continued to remain objective and were able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board committees in the best interest of the Company;
- they exhibited high commitment and devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and
- they had met with the attendance requirements for Board meetings pursuant to the MMLR of Bursa Securities. This testified to their dedication in discharging the responsibilities expected of an Independent Director.

The proposed Resolutions 8 and 9, if passed, will enable both Mr Neoh Lay Keong and Dato' Dr Mohd Husni Bin Ahmad to continue to act as Independent Directors of the Company.

7. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The proposed Resolution 10 is the renewal of the mandate obtained from the members at the last Annual General Meeting. As at the date of this Notice, the Company did not allot any shares pursuant to the mandate granted to the Directors at the previous Annual General Meeting held on 28 September 2018 as there were no requirements for such fund raising activities.

The proposed Resolution 10, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment projects(s), working capital and/or acquisition(s) at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company 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.

8. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The proposed Resolution 11, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 30 August 2019 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

9. PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Resolution 12, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms which are not detrimental to the interest of the minority shareholders.

Please refer to the Circular to Shareholders dated 30 August 2019 for further information.

10. SPECIAL RESOLUTION ON PROPOSED ALTERATION

This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of Chapter 7 and other Chapters of the MMLR of Bursa Securities and other provisions of laws and regulations that are applicable to the Company.

For further information on the Proposed Alteration, please refer to the Annexure A.