LB ALUMINIUM BERHAD

[198501006093 (138535-V)]

"Every Cloud has a Silver Lining"

MAXIMISING OPPORTUNITY, EMERGING STRONGER

Annual Report **2021**

"Every Cloud has a Silver Lining"

MAXIMISING OPPORTUNITY, EMERGING STRONGER

As the saying goes, "*Every cloud has a silver lining.*" LB Aluminium Berhad has emerged stronger and more resilient from the Covid-19 pandemic. Now on a stronger footing, we stand ready to capture new business opportunities as the global economy recovers. We have navigated the challenges presented with perseverance and operational versatility as evidenced by both higher revenue and profits achieved for the financial year ended 30 April 2021 despite pandemic lockdown protocols. With the expected gradual recovery of the local economy in the horizon, the Group is hopeful of our prospects as we return to normalcy.

VISION

PREFERRED GLOBAL PARTNER IN ALUMINIUM

MISSION

Customer Focus

- We understand customer needs
- Our products wtill be of consistent quality
- We deliver on-time and in the right order quantity
- Our customers are our partners in business
- We assist customers in achieving their needs

Teamwork

- We win together
- We practise shared leadership and cooperate with each other
- We value differences but work towards a common objective
- We believe in the benefits of teamwork

Operational Excellence

- Best in class on quality, on-time delivery and cost
- We manage as entrepreneurs in our daily operations
- We will innovate to achieve the best production facility

Stakeholders' Interest

- We focus on profitable growth for our stakeholders
- We manage and safeguard assets and resources effectively
- We provide safe work environment and employment opportunities
- We provide staff future growth and development
- We care for the environment

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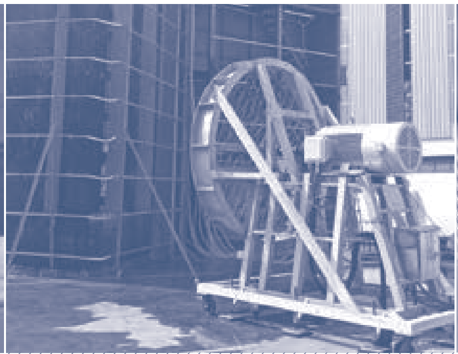
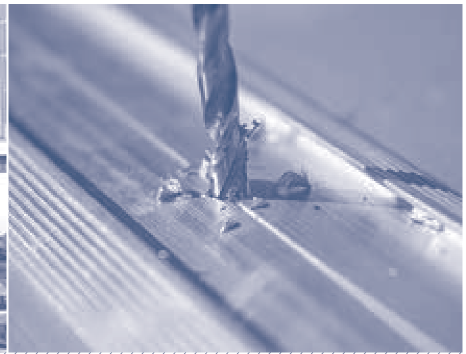
ANNUAL REPORT 2021





ANNUAL GENERAL MEETING

Fully virtual meeting via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

Thursday, 28 October 2021

10:00 a.m.

For more information, please visit our website: https://www.lbalum.com

CORPORATE PROFILE

Incorporated in 1985, LB Aluminium Berhad is today the largest supplier of aluminium extrusion products in Malaysia and one of the largest aluminium extrusion manufacturers in South-East Asia.

LB Aluminium Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad and has been a public listed company since 1994. The Company's consolidated shareholders funds as at 30 April 2021 stood at RM331.8 million with total number of shareholders exceeding 6,700. For the financial year ended 30 April 2021 the Group posted a turnover of RM527.2 million.

SHAREHOLDERS FUNDS RM331.8 MILLION

RM293.5 million (FY2020)

NUMBER OF SHAREHOLDERS EXCEEDING 6,700

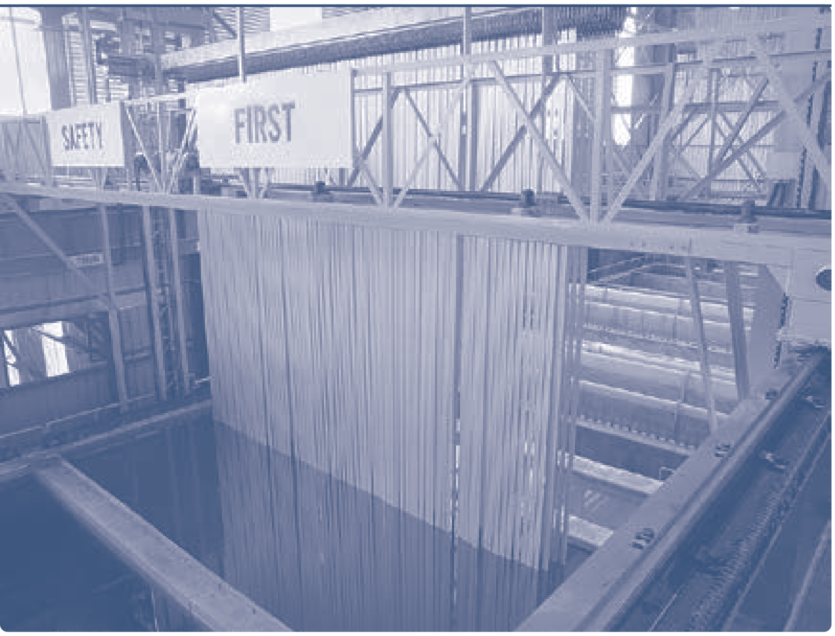
4,400 (FY2020)

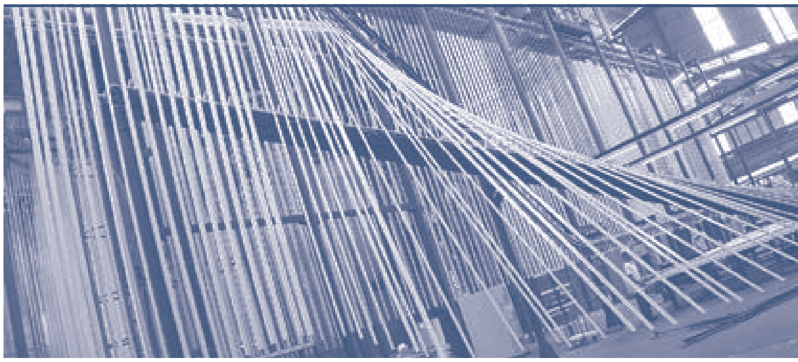
The Company's production facilities are located on a 31-acre site in Beranang in the state of Selangor and within a thirty (30) minutes' drive from the Kuala Lumpur International Airport as well as on a 4-acre site in Kuching, Sarawak.

Our existing integrated production facilities including extrusion presses from UBE, Japan have an annual production capacity of 100,000 metric tonnes. The production facility includes a 4,300 tonnes extrusion press which is the largest press currently available in Malaysia. Ancillary equipment comprises of billet heaters/log shears, billet heaters/hot saws, double pullers as well as quenching boxes.

To complement the aesthetics finishing of the extrusion products, we have the first and only fully automated vertical anodising plant in Malaysia that adheres to Japanese standards which ensure uniformity and consistency of quality with a monthly capacity of up to 1,400 metric tonnes. The Group also has a horizontal anodising line in Beranang with monthly capacity of 1,000 metric tonnes and together with an anodising line of 600 metric tonnes monthly capacity in our Kuching factory, our combined anodising capacity annually is 36,000 metric tonnes. We have also added a new anodising process for premium color anodising in 2017 which ensures consistent and uniform color anodised products.

In addition to the anodising plants, we have a fully integrated vertical powder coating line and a horizontal painting line with combined annual capacity of of 24,000 metric tonnes, both equipped with painting system from Wagner, Germany. We also have a fluorocarbon painting line.





Our in-house die/mould shop is equipped with the latest computer-aided design and manufacturing machines including CNC (computer numerical control) die cutting and EDM (electrical discharge machining) machines capable of producing die/mould of various complexities.

In addition, we provide value added services to our customers such as cutting, degreasing, punching, stamping, assembling and packing as OEM (original equipment manufacturer). Our equipments include CNC sawing machines, punching machines, bending machines, etc. We also have test rig facilities to provide specific product or system testing including performance tests for windows, doors and facades.

We pride ourselves in constantly upgrading the quality of our products to meet the changing needs of our customers and society. Achievement of the highest standards of excellence like the MS ISO 9001:2015 standard and UKAS Accreditation certification are testimonies to our excellence in the aluminium extrusion industry.

LB Aluminium Berhad has an extensive branch network with sales outlets cum warehouses in the major cities and towns in the Peninsular and East Malaysia and Singapore. Our export markets include destinations in North America, China, Australia and New Zealand as well as in South East Asia.

The Company had in March 2018 diversified its principal activities to include property development. In this respect, the Company had acquired a 20% equity interest in Vistarena Development Sdn Bhd which is developing a residential project, Platinum OUG Residence, at Kampung Muhibah, Kuala Lumpur with a gross development value of approximately RM468.0 million. In addition, the Company has two subsidiaries, namely Contras Build Sdn Bhd ("CBSB") and Pembinaan Serta Hebat Sdn Bhd ("PSH") which are involved in property development. As at todate, PSH is in the midst of property development planning whilst CBSB has not commenced operation.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of LB Aluminium Berhad ("**Company**") will be conducted on a fully virtual basis using the remote participation and voting facilities through the online meeting platform, TIIH Online, provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) on Thursday, 28 October 2021 at 10:00 a.m., for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2021 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1 on Ordinary Business]***

2. To approve 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 2021. **(Resolution 1)**

3. To approve the payment of Directors' fees of RM400,000.00 for the financial year ended 30 April 2021. **(Resolution 2)** ***[Please refer to Explanatory Note 2 on Ordinary Business]***

4. To approve the payment of Directors' benefits of up to RM45,000.00 for the period from the conclusion of this annual general meeting until the next annual general meeting of the Company. **(Resolution 3)** ***[Please refer to Explanatory Note 2 on Ordinary Business]***

5. To re-elect the following Directors who retire in accordance with Clause 76(3) of the Company's Constitution:- ***[Please refer to Explanatory Note 3 on Ordinary Business]***

   (i) Mr Mark Wing Kong **(Resolution 4)**
   (ii) Mr Yap Chee Woon **(Resolution 5)**
   (iii) Mr Neoh Lay Keong **(Resolution 6)**

6. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)** ***[Please refer to Explanatory Note 4 on Ordinary Business]***

AS SPECIAL BUSINESS

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

7. **Ordinary Resolution(s)**
   Continuation in Office as Independent Directors ***[Please refer to Explanatory Note 1 on Special Business]***

   (i) "THAT subject to the passing of Resolution 6 above, 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." **(Resolution 8)**

(ii) "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." **(Resolution 9)**

8. **Ordinary Resolution**
Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

[Please refer to Explanatory Note 2 on Special Business]

"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." **(Resolution 10)**

9. **Ordinary Resolution**
Proposed Renewal of Authority for Share Buy-Back

[Please refer to Explanatory Note 3 on Special Business]

"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:- **(Resolution 11)**

(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 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."

10. **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 refer to Explanatory Note 4 on Special Business]

"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 September 2021, 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**"). **(Resolution 12)**

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 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 shall 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."

11. 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 28 October 2021, the first and final single tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 30 April 2021 will be paid on 16 November 2021 to Depositors whose names appear in the Record of Depositors on 2 November 2021.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

(a) shares transferred into the depositor's securities account before 4:30 p.m. on 2 November 2021 in respect of transfers; and

(b) 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 [SSM PC NO. 202008001472 (MAICSA 7001358)]
Tan Hsiao Yuen [SSM PC NO. 201908002342 (MAICSA 7056952)]
Company Secretaries

Kuala Lumpur
29 September 2021

NOTES:-

1. **IMPORTANT NOTICE**

   The Annual General Meeting ("**AGM**") will be conducted on a fully virtual basis using the remote participation and voting ("**RPV**") facilities through the online meeting platform, TIIH Online, provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia via its website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) on Thursday, 28 October 2021 at 10:00 a.m.. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the AGM via the RPV facilities provided by Tricor.

   Please read these Notes carefully and follow the procedures in the Administrative Notes for the AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 October 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy or proxies to participate on his/her/its behalf via RPV.

3. A member who is entitled to participate at this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his place. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint 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.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

8. A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Notes for the AGM.

9. The appointment of a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:-

   (i) <u>In hard copy form</u>

   In the case of an appointment made in hard copy form, this proxy form must be deposited with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) <u>By electronic means via facsimile</u>

   In the case of an appointment made by facsimile transmission, this proxy form must be received via facsimile at 03-2783 9222.

   (iii) <u>By electronic means via email</u>

   In the case of an appointment made via email transmission, this proxy form must be received via email at is.enquiry@my.tricorglobal.com.

   For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur before or on the day of meeting for verification purpose.

   (iv) <u>By electronic form via TIIH Online</u>

   In the case of an appointment of a proxy made in electronic form, the proxy form must be deposited via TIIH Online website at https://tiih.online. Please follow the procedures as set out in the Administrative Notes for the electronic lodgement of proxy form.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

12. Last date and time for lodging this proxy form is Tuesday, 26 October 2021 at 10:00 a.m.

13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-

   (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

      (a) at least two (2) authorised officers, of whom one shall be a director; or

      (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES TO ORDINARY BUSINESS

1. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021**

   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.

2. **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 the conclusion of this AGM up to the next AGM. 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 AGM for the shortfall.

3. **RE-ELECTION OF DIRECTORS**

   Mr Mark Wing Kong, Mr Yap Chee Woon and Mr Neoh Lay Keong are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the AGM.

   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 ("**Listing Requirements**") 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 Mr Neoh Lay Keong and satisfied that he has complied with the criteria on independence as prescribed by the Listing Requirements of Bursa Securities.

4. **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 AGM, included an assessment of the Auditors' independence and objectivity, caliber and quality process/performance.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. **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 (9) 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:-

   (i) they had fulfilled the criteria under the definition on Independent Director as stated in the Listing Requirements of Bursa Securities and were therefore able to bring independent and objective judgment to the Board;

   (ii) 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;

   (iii) 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 their exercise of independent judgement;

(iv) they provided effective check and balance in the proceeding of the Board and the Board committees;

(v) 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;

(vi) they exhibited high commitment and devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and

(vii) they had met with the attendance requirements for Board meetings pursuant to the Listing Requirements 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.

2. **AUTHORITY TO ISSUE AND 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 AGM. 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 AGM held on 29 September 2020 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 project(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 AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

3. **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 29 September 2021 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

4. **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**

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 29 September 2021 for further information.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Datuk Leow Chong Howa*

Chief Executive Officer
Mark Wing Kong*

Executive Director
Yap Chee Woon*

Non-Independent Non-Executive Director
Leow Sok Hoon

Senior Independent Non-Executive Director
Neoh Lay Keong

Independent Non-Executive Directors
Dato' Dr Mohd Husni Bin Ahmad
Toh Khiam Huat
Chew Kat Nyap
Teh Kok Heng

Alternate Director to Datuk Leow Chong Howa
Leow Vinzie*
(Appointed on 29 June 2021)

Leow Vinken*
(Resigned on 29 June 2021)

**Members of Senior Management Team*

AUDIT COMMITTEE

Independent Non-Executive Director – Chairman
Toh Khiam Huat

Senior Independent Non-Executive Director
Neoh Lay Keong

Independent Non-Executive Director
Dato' Dr Mohd Husni Bin Ahmad

NOMINATION COMMITTEE

Senior Independent Non-Executive Director – Chairman
Neoh Lay Keong

Independent Non-Executive Directors
Dato' Dr Mohd Husni Bin Ahmad
Chew Kat Nyap

REMUNERATION COMMITTEE

Senior Independent Non-Executive Director – Chairman
Neoh Lay Keong

Independent Non-Executive Directors
Dato' Dr Mohd Husni Bin Ahmad
Chew Kat Nyap

COMPANY SECRETARIES

Wong Wai Foong
[SSM PC NO. 202008001472 (MAICSA 7001358)]

Tan Hsiao Yuen (Appointed on 3 September 2021)
[SSM PC NO. 201908002342 (MAICSA 7056952)]

Ng Bee Lian (Resigned on 3 September 2021)
[SSM PC NO. 201908003459 (MAICSA 7041392)]

Yap Sit Lee (Resigned on 3 September 2021)
[SSM PC NO. 202008001865 (MAICSA 7028098)]

AUDITORS

BDO PLT (Firm No: LLP0018825-LCA & AF 0206)
Chartered Accountants
Level 8
BDO PLT @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation
(Malaysia) Berhad
AmBank (M) Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS

Soo Thien Ming & Nashrah
Level 9, Menara Bangkok Bank
Berjaya Central Park
105, Jalan Ampang
50450 Kuala Lumpur

Sebastian Cha & Co
91B, Jalan 1/12
46000 Petaling Jaya
Selangor Darul Ehsan

CORPORATE ADVISOR

AmInvestment Bank Berhad
22nd Floor, AmBank Group Building
55, Jalan Raja Chulan
50200 Kuala Lumpur

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9191
Fax : 03-2783 9111

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7784 3922
Fax : 03-7784 1988

HEAD OFFICE

Lot 11, Jalan Perusahaan 1
Kawasan Perusahaan Beranang
43700 Beranang, Semenyih
Selangor Darul Ehsan
Tel : 03-8725 8822
Fax : 03-8725 8828

WEBSITE ADDRESS

www.lbalum.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name: LBALUM
Stock Code: 9326

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT TEAM

DATUK LEOW CHONG HOWA
Executive Chairman

63 | Male | Malaysian

Datuk Leow Chong Howa, aged 63, male, a Malaysian, is the Executive Chairman of LB Aluminium Berhad and was appointed to the Board on 16 April 1985. He is a businessman and prior to assuming his current position, was the Managing Director of the Company since its incorporation.

Datuk Leow is a Non-Independent Non-Executive Director of A-Rank Berhad. Besides, he sits on the Council of Tung Shin Hospital Kuala Lumpur and is a member of the Chinese as well as Western Medical Management Committees of Tung Shin Hospital. He is the Deputy Chairman of Chong Hwa Independent High School and currently the Group President of Malaysia Anxi Association and Yayasan Ann Koai of Malaysia. Datuk Leow is also a Vice Chairman on the Board of SRJK (C) Kepong School.

He is a former Council Member of the Federation of Malaysian Manufacturers ("FMM") and a former Committee Member of the Selangor Branch of FMM, and a former Board of Trustee for Yayasan Lim Yee Hoh.

MARK WING KONG
Chief Executive Officer

62 | Male | Malaysian

Mark Wing Kong, aged 62, male, a Malaysian, is the Chief Executive Officer of LB Aluminium Berhad. Prior to the appointment to his present position, he was the Executive Director and was appointed to the Board on 15 March 1997. He is a member of the Malaysian Institute of Certified Public Accountants. Mr Mark was with Kassim Chan & Co from 1980 to 1986 and subsequently as Operations Manager with Arab-Malaysian Securities Sdn Berhad from 1986 to 1988. From 1988 to 1997, he was with Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) where he was General Manager, Corporate Finance at time of resignation.

Mr Mark is a Council Member of FMM.

YAP CHEE WOON
Executive Director

62 | Male | Malaysian

Yap Chee Woon, aged 62, male, a Malaysian, is the Executive Director of the Company and was appointed to the Board on 2 May 1997. He is a businessman and prior to his present position was the General Manager of LB Aluminium Berhad. Mr Yap has been with the Company since its incorporation.

Mr Yap is the honorary treasurer of Federation of Malaysian Manufacturers' Aluminium Manufacturers Group Malaysia ("AMGM").

LEOW SOK HOON
Non-Independent Non-Executive Director

49 | Female | Malaysian

Leow Sok Hoon, aged 49, female, a Malaysian, is a Non-Independent Non-Executive Director of LB Aluminium Berhad and was appointed to the Board on 3 August 1993. She holds an Advanced Diploma, Association of Business Executives (ABE), a Diploma in Business Administration, University of Wales and a BA in Business Administration also from the University of Wales. She is a businesswoman.

NEOH LAY KEONG
Senior Independent Non-Executive Director

63 | Male | Malaysian

Neoh Lay Keong, aged 63, male, a Malaysian, is the Senior Independent Non-Executive Director of the Company and was appointed to the Board on 25 August 1997. He holds a BEC Diploma in Business Studies, St. Johns College, England and a BA (Hons) in Economics from the University of Manchester, England. Mr Neoh was with RHB Bank Berhad from 1982 to 1990 and is a Dealers' Representative with TA Securities Berhad since 1990.

He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee.

DATO' DR MOHD HUSNI BIN AHMAD
Independent Non-Executive Director

58 | Male | Malaysian

Dato' Dr Mohd Husni Bin Ahmad, aged 58, male, a Malaysian, is an Independent Non-Executive Director of the Company and was appointed to the Board on 31 July 2006. He is presently a Consultant Ear Nose Throat-Head and Neck Surgeon at a private hospital in Kuala Lumpur. Dato' Dr Mohd Husni obtained his Bachelor of Medicine & Bachelor of Surgery as well as a Master of Otorhinolaryngology from the University of Malaya. Upon his graduation, he was attached with University Hospital from 1990 to 1998 initially as a medical officer, lecturer and specialist before leaving for private practice.

He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

TOH KHIAM HUAT
Independent Non-Executive Director

65 | Male | Malaysian

Toh Khiam Huat, aged 65, male, a Malaysian, is an Independent Non-Executive Director of the Company and was appointed to the Board on 31 July 2013. Mr Toh graduated from Swinburne College of Technology, Melbourne, Australia in 1980. He is a Chartered Accountant of the Malaysian Institute of Accountants and an ex-Fellow member of Certified Public Accountants, Australia. He is also a member of the Institute of Internal Auditors Malaysia ("IIAM"). During the period 2003 and 2010, he actively served as a member of the Board of Governors and chairing the various sub-committees of the Institute, including holding the positions of Honorary Secretary and Honorary Treasurer.

Mr Toh started his external auditing career with Deloitte Kassim Chan in 1981. He joined American International Assurance Berhad as a financial accountant in 1985.

Between the period of 1990 and 2011, Mr Toh was involved in internal auditing, compliance and risk management as a Regional Auditor and later as a Regional Head of Internal Audit function (South Asia) for two multi-national insurers (American International Group and Prudential Corporation Asia).

He is currently the Chairman of the Audit Committee.

CHEW KAT NYAP
Independent Non-Executive Director

67 | Male | Malaysian

Chew Kat Nyap, aged 67, male, a Malaysian, is an Independent Non-Executive Director of the Company and was appointed to the Board on 31 July 2013. He is a member of the Nomination Committee and Remuneration Committee.

Mr Chew commenced his career at the corporate secretarial/share registry divisions of two major accounting firms and the SPK Group. He then worked at Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) between 1986 and 1996 and last held the position of Senior Manager. He was thereafter seconded to Malaysian Issuing House Sdn Bhd ("MIH"), a company registered under the Capital Markets & Services Act 2007, as General Manager. He was Chief Executive of MIH and Symphony Share Registrars Sdn Bhd, which became part of the Symphony Group until his retirement in 2009 and 2014. In the intervening years he acted as Adviser and Board Member of the two companies until his departure in November 2019. He is presently Director, Advisory at One Capital Market Services Sdn Bhd, a company rendering share registry and other planned capital market services.

TEH KOK HENG
Independent Non-Executive Director

60 | Male | Malaysian

Teh Kok Heng, aged 60, male, a Malaysian, is an Independent Non-Executive Director of LB Aluminium Berhad and was appointed to the Board on 31 July 2013. He holds a Bachelor Degree in Marketing from TAR College.

Mr Teh has 35 years of experience in Design and Construction Management, specializing in Brand Activation business as well as Interior Architecture Fit-out and Advertising. He had been involved in numerous sizable projects, both locally and abroad including some international acclaimed projects such as LIMA Aerospace, DSA Exhibition and Malaysia's biggest Expo Negaraku 2017 project at Dataran Merdeka. He also headed the Milano World Expo 2015 for numerous Countries Pavilions including Malaysia, Brunei, Argentina and Cambodia.

Mr Teh also serves as a board member of SJK (C) Kepong 3, a Chinese primary school in Segambut.

LEOW VINZIE
Alternate Director to Datuk Leow Chong Howa

35 | Female | Malaysian

Leow Vinzie, aged 35, female, a Malaysian, was appointed as Alternate Director to Datuk Leow Chong Howa on 29 June 2021. She is currently the General Manager of LB Aluminium Singapore Pte Ltd, a wholly-owned subsidiary of the Company and was appointed a member of Senior Management Team on 29 June 2021. She graduated from Monash University, Australia with Bachelors of Business in Management and Marketing in 2009. After graduation, she spent 2 years at National Taiwan University acquiring Mandarin as a second language. Prior to joining LB Aluminium, she worked at Zuellig Pharma Malaysia in Business Development from 2012 to 2015. Thereafter, she was promoted to managing the regional portfolio from Singapore headquarters, where she was involved in the development of Zuellig Pharma's Pharmaceutical, Over-The-Counter and Medical Devices businesses, securing new clients as well as contracts renewal negotiations from 2015 to 2017.

Ms Leow Vinzie is also a Non-Independent Non-Executive Director of A-Rank Berhad.

Other Information

1. Family[1] relationship with Director and/or major shareholder

Ms Leow Vinzie is the daughter of Datuk Leow Chong Howa, the Executive Chairman and major shareholder of LB Aluminium Berhad.

Save as disclosed herein, none of the Directors has any family relationship with any other Director and/or major shareholder of LB Aluminium Berhad.

[1] As per paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, family in relation to a person means such person who falls within any one of the following categories:

(a) spouse;
(b) parent;
(c) child including an adopted child and step-child;
(d) brother and sister; and
(e) spouse of the person referred to in subparagraphs (c) and (d) above

2. Conflict of interest with the Company

Save for the related party disclosures as disclosed under Note 34 to the Audited Financial Statements of this Annual Report and the Circular to Shareholders dated 29 September 2021 which is despatched together with this Annual Report, none of the Directors has any conflict of interest with LB Aluminium Berhad.

3. Conviction for offences

None of the Directors has been convicted for any offences (other than traffic offences) within the past five (5) years or has been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year ended 30 April 2021.

(Profiles of the Executive Chairman, Chief Executive Officer, Executive Director and General Manager of LB Aluminium Singapore Pte Ltd are listed in pages 14 to 17)

STEVEN CHIA KING LING
General Manager

56 | Male | Malaysian

Steven Chia King Ling, aged 56, male, a Malaysian, is the General Manager of LB Aluminium Berhad. He was appointed a member of the Senior Management Team on 1 June 2016. He holds a post graduate Diploma in Professional Marketing from Chartered Institute of Marketing (CIM - UK). Mr Chia has 28 years of experience in sales, marketing and management and another 5 years' experience in banking and financial management. Prior to joining the Company, he was an Operations Officer with KUMB Finance Berhad which was subsequently acquired by MBF Finance Berhad.

LIM SOO WAI
Senior Operation Manager

43 | Male | Malaysian

Lim Soo Wai, aged 43, male, a Malaysian, is the Senior Operation Manager of LB Aluminium Berhad. He was appointed a member of the Senior Management Team on 25 October 2019. He holds a degree of Bachelor of Engineering from Universiti Sains Malaysia ("USM"). Mr Lim has 20 years of experience in manufacturing of aluminium extrusion and has joined the Company since graduation from USM.

WONG SAY YOUNG
Head of Finance

45 | Male | Malaysian

Wong Say Young, aged 45, male, a Malaysian, is the Head of Finance of LB Aluminium Berhad. He was appointed a member of the Senior Management Team on 1 October 2020. He holds an Advanced Diploma in Commerce (Financial Accounting) from TAR College. Mr Wong is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant of Malaysian Institute of Accountants (MIA). Prior to joining the Company, he was the Group Accountant with DutaLand Berhad.

Other Information

Mr Steven Chia King Ling, Mr Lim Soo Wai and Mr Wong Say Young do not have any family relationship with any Director and/or major shareholder of LB Aluminium Berhad nor have any conflict of interest with the Company. They had no conviction for any offences (other than traffic offences) within the past five (5) years and have not been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year ended 30 April 2021.

The Board of Directors ("Board") of LB Aluminium Berhad ("Company") recognises that good corporate governance is fundamental to the Board in discharging its fiduciary responsibilities and enhancing high standards of business integrity, business prosperity and corporate accountability with the ultimate objective of realising shareholders' value.

The Corporate Governance Overview Statement ("CG Statement") is prepared in accordance to Practice Note 9 of Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance ("MCCG") issued by Securities Commission Malaysia. The CG Statement is to be read together with the Corporate Governance Report ("CG Report") which is available at the Company's website at **www.lbalum.com** as well as Bursa's website at **www.bursamalaysia.com**.

The Board is pleased to set out below the manner in which the Company and its subsidiaries ("Group") have applied each of the three (3) Principles of the MCCG throughout the financial year ended 30 April 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Role of the Board

The role of the Board is to lead and manage the Group in an effective manner including developing strategic directions and objectives in line with its vision and missions, implement plans and supervise the conduct of the Group's business as a whole. The Board should also provide entrepreneurial leadership to the Group within a framework of prudent and effective controls whilst ensuring risks are consistently assessed and managed.

The Board sets the Group's strategic plans and policies and conducts ongoing review and evaluation of those strategic plans and policies to ensure the Group's focus is in line with the constantly evolving market conditions as well as to identify new businesses and opportunities.

The Board receives regular updates on the conduct of the Group's business and operations, and evaluate whether its businesses are being properly managed.

The Board is responsible to ensure the adequacy and integrity of the internal control and management information systems and adopts appropriate measures to mitigate any foreseeable and/or unexpected risks, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Process of the Board

The Board is chaired by the Executive Chairman and the Board meets at least four (4) times a year scheduled in every quarter. If required, additional meetings will be scheduled. The quorum for the Board meeting shall be at least two (2) members present at the meeting.

To assist in the discharge of its stewardship role, the Board has established Board committees, namely, the Audit, Nomination and Remuneration Committees, which operate within approved Terms of Reference. These committees have authority to examine particular issues and report to the Board with their findings and recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Process of the Board (cont'd)

All deliberations and decisions taken by the Board Committees are documented and approved by the respective Chairman of the Committees. The report and recommendation of the Board Committees are included as agenda items for deliberation at the meetings of the Board.

Prior to the Board and Board Committee meetings, a formal and structured agenda, as approved by the respective Chairman of the Board and the Committees, together with a set of Board and Board Committee papers, are forwarded to all Directors at least five (5) business days prior to the Board and Board Committee meetings, for the Directors to be prepared to deal with matters arising from such meetings and to enable the Board and Board Committees to make decisions. Presentations to the Board and the Board Committees are prepared and delivered in a manner that ensures a clear and adequate understanding of the subject matter.

Qualified and Competent Company Secretary

The Board is supported by qualified, competent and experienced Company Secretaries who facilitate overall compliance with the MMLR of Bursa Securities as well as inform and keep the Board updated on the latest enhancements in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.

The Company Secretary organises and attends all Board and Board Committee meetings and ensures meetings are properly convened, follows up on matters arising and ensure accurate and proper records of the proceedings and resolutions passed are maintained accordingly at the registered office of the Company. The Company Secretary is also responsible to maintain the documentation of the Board such as meeting papers and minutes of the Board and its committees to be produced for inspection, if required and to ensure a balanced flow of information is disseminated to the Directors for decisions to be made on an informed basis for the effective discharge of the Board's responsibilities.

All Board members have unrestricted access to the advice and services of the Company Secretary.

Delegation to Management

The responsibility for the operation and administration of the Group is delegated, by the Board, to the Chief Executive Officer ("CEO") and other Senior Management Personnel within levels of authority specified by the Board from time to time. The Board ensures that this Senior Management Team is appropriately qualified and experienced to discharge its responsibilities and has in place procedures to assess the performance of the team.

The CEO may delegate aspects of his authority and power but remains accountable to the Board for the Group's performance and is required to report regularly to the Board on the conduct and performance of the Group's business units.

Separation of Positions of Executive Chairman ("EC") and CEO

The roles of the EC and CEO of the Company are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making.

The EC is responsible for running the Board and ensures that all Board members receive sufficient and timely relevant information to enable the Directors to participate actively in the Board's decisions. The EC is also responsible to provide leadership, strategic directions and objectives in line with the Group's vision and mission while leading the Board in establishing and monitoring of good corporate governance practices within the Group. The CEO is responsible for the day-to-day management of the Group and effective leadership of the Management Team as well as the implementation of the Board's policies and decisions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Board Charter

To enhance accountability and establish a proper delineation of roles between its Board and the Management, the Company has formalised and adopted a Board Charter ("Charter").

The Charter sets out five guiding principles of good corporate governance namely fairness, transparency, accountability, responsibility and sustainability. It provides guidance for Directors regarding their roles in discharging their duties towards the Company as well as Boardroom activities.

The Charter was last reviewed and approved by the Board on 29 June 2021 and has been uploaded on the Company's website at **www.lbalum.com**.

Schedule of Matters Reserved for the Board

To enhance accountability, the Board has established a formal schedule of matters specifically reserved for the Board for its deliberation and decision to ensure the direction and control of the Group's business are firmly in its hands. Details of the schedule of matters specifically reserved for the Board are available to the public on the Company's website at **www.lbalum.com**.

Code of Conduct

The Company has formalised a Code of Conduct which contains policies and procedures relating to the professional conduct and ethics that are applicable to all employees.

The Code of Conduct is uploaded on the Company's website at **www.lbalum.com**.

During the financial year ended 30 April 2021, the Company has established the Group's Anti-Bribery and Corruption Management System comprising policies and procedures as well as a compliance, monitoring and reporting framework to develop a business environment that is free of bribery and corruption.

Code of Conduct and Code of Ethics for Directors

The Board acknowledges the importance of establishing a healthy corporate culture among the Directors and has formalised in writing a Code of Conduct and a Code of Ethics for Directors, which set out the standards of good behavior by underscoring the core ethical values that are vital for their business decisions.

The Code of Conduct and Code of Ethics for Directors are included in the Board Charter which is published at the Company's website at **www.lbalum.com**.

Whistleblowing Policy

The Board has formalised a Whistleblowing Policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employee, Management or Directors in the Group. It allows the whistle-blower the opportunity to raise concerns outside the management line. The identity of the whistle-blower will be kept confidential and protection is accorded to the whistle-blower against any form of reprisal or retribution.

The Whistleblowing Policy is published at the Company's website at **www.lbalum.com**.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (cont'd)

Access to Information and Advice

From time to time, whenever the Board requires relevant information updates from any members of the Management, the relevant member is invited to attend meetings of the Board or its Committees to provide the Board with any such relevant information or updates.

All Directors have unrestricted access to information within the Group and to obtain independent professional advice, when necessary, at the Company's expense. Prior to engaging any independent adviser, approval must be obtained from the Executive Chairman and, where applicable, the Executive Chairman may bring up the request for the Board's evaluation on the need for external advice.

II. Board Composition

Existing Board Composition

The Board currently consists of nine (9) Directors; five (5) of whom are Independent Non-Executive Directors. The Board comprises an appropriate balance with sufficiently diverse experience required for the effective stewardship of the Group. The balance of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) is such that decisions made are fully discussed and examined after taking into account the long term interest of shareholders, employees, customers and the many communities in which the Group conducts its business. The division of responsibilities between the Executive Directors and the Non-Executive Directors on the Board ensures independence in decision making at Board level.

Independence

The Board has a collective responsibility for the management of the Group. The Independent Non-Executive Directors are committed in upholding business integrity and bringing independent judgement and scrutiny to decisions taken by the Board and providing objective challenges to the Management. The Executive Directors are responsible for making and implementing operational and corporate decisions as well as day-to-day management of the business and operations of the Group. There is a clear division of responsibilities between the executive and non-executive functions to ensure effectiveness of the decision making process of the Board.

Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group. This is to ensure that they are capable of exercising judgment objectively whilst acting in the best interest of the Group, its stakeholders and shareholders, including minority shareholders.

The Board is of the view that tenure should not form part of the independence assessment criteria, as it believes that the ability of a Director to serve effectively is dependent upon his caliber, qualifications, experiences and personal qualities, in particular, integrity and objectivity.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Tenure of Independent Directors

Following an assessment by the Nomination Committee ("NC") and the Board, Mr Neoh Lay Keong ("Mr Neoh") and Dato' Dr Mohd Husni Bin Ahmad ("Dato' Dr Mohd Husni"), who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years as at the end of the financial year under review, have been recommended by the Board to continue to act as Independent Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

The Board recommends Mr Neoh and Dato' Dr Mohd Husni to continue to act as Independent Directors based on the following justifications:

(i) They had fulfilled the criteria under the definition on Independent Director as stated in the MMLR of Bursa Securities and therefore were able to bring independent and objective judgment to the Board;

(ii) They have been with the Group for many years and possessed deep understanding of the Group's business operations and have 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;

(iii) 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 their exercise of independent judgement;

(iv) They provided effective check and balance in the proceeding of the Board and the Board Committees;

(v) 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;

(vi) They exhibited high commitment and devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and

(vii) They had met with the attendance requirements for Board Meetings pursuant to the MMLR of Bursa Securities. This testifies to their dedication in discharging the responsibilities expected of an Independent Director.

Boardroom Diversity

The NC is entrusted by the Board to identify and recommend suitable candidates to fill up vacant seats of the Board. The NC shall ensure the Board has the appropriate balance of skills, experience and knowledge.

Before any recommendation is made to the Board, the NC shall evaluate a candidate by considering the factors including age, gender, ethnicity, professional background, skill and expertise, personal characteristics, integrity, capability and time to discharge duty as a Director and for an Independent Non-Executive Director, whether he/she meets the criteria of an Independent Director as specified by Practice Note 13 of the MMLR of Bursa Securities.

The NC shall at all times continue to ensure a well-balanced Board and to ensure equal opportunity is given and that no candidate is subject to any form of discrimination in terms of age, gender, ethnicity, religion, marital status and appearance in the process of identifying suitable candidates for replacement or new Board member.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Boardroom Diversity (cont'd)

In identifying candidates for new directorship of the Company, the NC does not solely rely on recommendations from members of the Board, Management or major shareholders. The NC makes reference to the Company's business associates and professional bodies from time to time.

The Board acknowledges the importance of gender diversity in the Boardroom. However, the Board does not adopt any formal gender diversity policy in the selection of new Board members and does not have specific targets for female Director. The Board continues to evaluate a candidate for new Board member by considering all the factors including age, gender, ethnicity, skill and expertise, personal qualities, integrity, educational qualification, capability and time to discharge duty effectively.

During the financial year ended 30 April 2021, there was no new appointment to the Board.

Re-election of Directors

In accordance with the Company's Constitution (the "Constitution"), all Directors who are appointed by the Board to fill a casual vacancy are subject to election by shareholders of the Company at the first Annual General Meeting ("AGM") after their appointment. The Constitution also provides that one-third (⅓) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3) then the number nearest to one-third (⅓), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

For the forthcoming AGM, the following Directors will retire by rotation, and being eligible, offer themselves for re-election:

- Mr Mark Wing Kong
- Mr Yap Chee Woon
- Mr Neoh Lay Keong

A brief description on the profile of the above Directors and their respective attendance in Board Meetings are presented in this Annual Report.

Succession Planning

The Board acknowledges that succession planning is important for the Company's stability and sustainability. The NC is entrusted to assess and recommend suitable candidates to be appointed as Director of the Company to fill up any vacant seat in the Boardroom.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Nomination Committee

The NC of the Company comprises three (3) Independent Non-Executive Directors and is chaired by the Company's Senior Independent Non-Executive Director.

During the financial year ended 30 April 2021, two (2) NC's meetings were held. The details of attendance of each member at the NC meetings held during the financial year are as follows:-

Name of Nomination Committee Members	Number of Nomination Committee Meeting Attended
Neoh Lay Keong (Chairman)	2/2
Dato' Dr Mohd Husni Bin Ahmad	2/2
Chew Kat Nyap	2/2

The Terms of Reference for the NC can be viewed at the Company's website at **www.lbalum.com**.

The activities of the NC during the financial year are disclosed in the CG Report.

Annual Assessment of Effectiveness of the Board and Board Committees, Performance of Individual Directors and Independent Directors

The Board has through the NC, assessed the effectiveness of the Board as a whole and each Board committees and performance of Individual Directors and opined that the Board, Board committees and the individual Directors had discharged their duties and roles effectively and that the current Board has the right blend of knowledge and experience to optimise the Company's performance and strategy.

In ensuring that the independent judgments by the Company's Non-Executive Directors are not compromised, the NC performs yearly assessment on the independence of the Independent Directors. The assessment is conducted by making reference to Practice Note 13 of the MMLR of Bursa Securities.

Based on the assessment conducted for financial year ended 30 April 2021, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to continue to exercise independent judgment.

Board Meetings

It is the policy of the Company for Directors to devote sufficient time and effort in carrying out their responsibilities. The Board is required to meet every three (3) months in regular Board of Directors' meetings during a financial year to approve the quarterly results on a pre-scheduled basis. Additional meetings are convened when urgent and important decisions need to be taken between scheduled meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Board Meetings (cont'd)

The Board of Directors had met four (4) times during the financial year under review and the details of the Directors' attendance are as follows:

Name of Directors	Number of Meetings Attended
Datuk Leow Chong Howa (Chairman)	4/4
Mark Wing Kong	4/4
Yap Chee Woon	4/4
Leow Sok Hoon	4/4
Neoh Lay Keong	4/4
Dato' Dr Mohd Husni Bin Ahmad	4/4
Toh Khiam Huat	4/4
Chew Kat Nyap	4/4
Teh Kok Heng	4/4

Number of Directorships in other Companies

All Directors are expected to notify the Board of their acceptance of any new directorship in other listed issuers.

Directors of the Company do not hold more than five (5) directorships in public listed companies and there is no restriction on number of directorships in non-public listed companies, as stipulated in the MMLR.

The listing of directorships held by Directors is disclosed by the respective Directors to the Board to ensure compliance to the MMLR.

Directors' Training

The Board has through the NC assesses the training needs of each Director on an annual basis by determining areas that would strengthen their contribution to the Board. From the assessment, the NC is satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

All Directors have attended and successfully completed the Mandatory Accreditation Program prescribed by Bursa Securities.

The Directors have committed to participate in relevant training programs to keep abreast with the latest developments in the security industry, particularly in areas of corporate governance and regulatory changes so that they would be able to discharge their duties as Directors effectively.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Directors' Training (cont'd)

For the financial year ended 30 April 2021, the courses attended by the Directors (save for Leow Vinzie who was appointed as Alternate Director to Datuk Leow Chong Howa on 29 June 2021) include:

Name of Directors	Course / Seminar attended	
Datuk Leow Chong Howa	(i)	What Are The Temporary Relief Measures For Listed Issuers During COVID-19 Pandemic organised by Tricor Corporate Services Sdn Bhd
	(ii)	Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(iii)	2021 Budget Webinar organised by Tricor Malaysia
Mark Wing Kong	(i)	What Are The Temporary Relief Measures For Listed Issuers During COVID-19 Pandemic organised by Tricor Corporate Services Sdn Bhd
	(ii)	Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(iii)	2021 Budget Webinar organised by Tricor Malaysia
	(iv)	Economic Forum – Macro And Markets Updates: Uneven Recovery organised by UOB Malaysia
	(v)	Environmental, Social and Governance (ESG): What Matters To You organised by Tricor Malaysia
Yap Chee Woon	(i)	What Are The Temporary Relief Measures For Listed Issuers During COVID-19 Pandemic organised by Tricor Corporate Services Sdn Bhd
	(ii)	Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(iii)	Introduction And Implementation of MS ISO IEC 17025:2017 organised by Lab Consult PLT
	(iv)	Latest Update On Listing Requirements And Corporate Governance Monitor Report organised by Tricor Malaysia
	(v)	2021 Budget Webinar organised by Tricor Malaysia
	(vi)	"Undocumented Foreign Workers Recalibration Plan" What Do You Know About Recalibration organised by Master Builders Association Malaysia
	(vii)	Economic Forum – Macro And Markets Updates: Uneven Recovery organised by UOB Malaysia
	(viii)	Climate Governance Malaysia: Transitioning Into A Sustainable Future organised by HSBC
Leow Sok Hoon	(i)	Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(ii)	Latest Update On Listing Requirements And Corporate Governance Monitor Report organised by Tricor Malaysia
Neoh Lay Keong	(i)	Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(ii)	Latest Update On Listing Requirements And Corporate Governance Monitor Report organised by Tricor Malaysia
	(iii)	Understanding Financial Statements For Better Decision-Making Post Covid-19 organised by Malaysian Institute of Accountants

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (cont'd)

Directors' Training (cont'd)

For the financial year ended 30 April 2021, the courses attended by the Directors (save for Leow Vinzie who was appointed as Alternate Director to Datuk Leow Chong Howa on 29 June 2021) include: (cont'd)

Name of Directors	Course / Seminar attended
Dato' Dr Mohd Husni Bin Ahmad	(i) Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(ii) Latest Update On Listing Requirements And Corporate Governance Monitor Report organised by Tricor Malaysia
	(iii) Understanding Financial Statements For Better Decision-Making Post Covid-19 organised by Malaysian Institute of Accountants
Toh Khiam Huat	(i) Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(ii) Latest Update On Listing Requirements And Corporate Governance Monitor Report organised by Tricor Malaysia
	(iii) 2021 Budget Webinar organised by Tricor Malaysia
	(iv) Understanding Financial Statements For Better Decision-Making Post Covid-19 organised by Malaysian Institute of Accountants
Chew Kat Nyap	(i) Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(ii) Embracing Radical Change In The New Norm organised by Malaysian Institute of Corporate Governance
Teh Kok Heng	(i) Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(ii) Latest Update On Listing Requirements And Corporate Governance Monitor Report organised by Tricor Malaysia
Leow Vinken (resigned as Alternate Director to Datuk Leow Chong Howa on 29 June 2021)	(i) What Are The Temporary Relief Measures For Listed Issuers During COVID-19 Pandemic organised by Tricor Corporate Services Sdn Bhd
	(ii) Anti-Bribery Management System Virtual Awareness Training organised by BDO Governance Advisory
	(iii) Introduction And Implementation Of MS ISO IEC 17025:2017 organised by Lab Consult PLT
	(iv) Economic Forum – Macro And Markets Updates: Uneven Recovery organised by UOB Malaysia

The Company Secretary regularly updates the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefs the Board quarterly on these updates, where applicable, at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. The Directors will continue to undergo relevant training programs to further enhance their skills and knowledge in the discharge of their stewardship role.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration

Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) Independent Non-Executive Directors and is entrusted by the Board to recommend the remuneration framework for Directors as well as the remuneration packages of Executive Directors and Senior Management to the Board. The policy practiced on Directors and Senior Management's remuneration by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors and Senior Management of the quality required to manage the business of the Company and to align the interest of the Directors and Senior Management with those of the stakeholders.

During the financial year ended 30 April 2021, two (2) RC's meetings were held to review and recommend to the Board on the remuneration of the Directors and Senior Management. The details of attendance of each member at the RC meetings held during the financial year are as follows:-

Name of Remuneration Committee Members	Number of Remuneration Committee Meeting Attended
Neoh Lay Keong (Chairman)	2/2
Dato' Dr Mohd Husni Bin Ahmad	2/2
Chew Kat Nyap	2/2

Terms of Reference

The details of the Terms of Reference of the RC are available at the Company's website at **www.lbalum.com**.

Directors' Remuneration

The remuneration package for Directors comprise of the following elements:-

- ***Fees and Meeting Allowance***

  The fees payable to each of the Directors are determined by the Board. All Directors are paid meeting allowances as determined by the Board as reimbursement for expenses incurred for attending the Board meetings.

- ***Basic Salaries and Bonuses***

  The basic salaries and bonuses for the Executive Directors are recommended by the RC to the Board for approval.

  Bonus is a performance-based payment linked to the corporate performance as well as individual performance.

- ***Benefits-in-kind***

  Customary benefits such as motor vehicle, club membership, mobile phone allowance are made available to the Directors in accordance with the policies of the Group.

The details of the remuneration of Directors for the Company and its subsidiaries for the financial year ended 30 April 2021 are disclosed on a named basis in the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Audit Committee Composition

The Audit Committee ("AC") comprises three (3) Independent Non-Executive Directors namely Mr Toh Khiam Huat (Chairman), Mr Neoh Lay Keong and Dato' Dr Mohd Husni Bin Ahmad.

The Chairman of the AC is not the Chairman of the Board.

All the members of the AC are financial literate and collectively they possess wide range of skills and expertise to discharge their duties.

Audit Committee Meetings

The AC meets not less than four (4) times a year and is governed by clearly defined Terms of Reference. In the financial year ended 30 April 2021, the Committee met on five (5) occasions.

Yearly Assessment on Suitability and Independence of External Auditors

The AC performs a yearly assessment on the suitability, objectivity and independence of the External Auditors.

The AC is satisfied with the performance and objectivity of the Company's External Auditors, BDO PLT, for the audit engagement throughout the financial year ended 30 April 2021 before recommending to the Board for the re-appointment of BDO PLT as External Auditors for the financial year ending 30 April 2022.

Related Party Transaction

An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the MMLR. The Board, through the AC, reviews all material related party transactions involved. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and at any general meeting convened to consider such matter.

The Circular to Shareholders dated 29 September 2021 as well as the notes to the financial statements herein provide further details on these related party transactions.

Terms of Reference

The details of the Terms of Reference of the AC are available at the Company's website at **www.lbalum.com**.

Attendance Record and Summary of Work Conducted

The attendance record of the AC members and summary of work conducted by the committee are disclosed in the Audit Committee Report of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework

Risk Management Framework

The Board has formalised a risk management framework to safeguard the interest, and meet the expectations of its shareholders, employees, customers, other stakeholders and the many communities in which the Group conducts its business. This involves:

- Enhancing strategic competitiveness and operational efficiency that increases long term shareholders' value;
- Minimising unexpected impact to earnings and returns to shareholders;
- Safeguarding valuable assets and resources;
- Balancing expectations of various stakeholders; and
- Meeting existing regulatory requirements on risk management.

The Board requires the Group to maintain a rigorous risk management framework for identifying, evaluating, monitoring and managing the risks taken to achieve the Group's business objectives.

Risk Management Committee

The Board has established the Risk Management Committee, headed by the Group's CEO and assisted by the Group's Head of Finance and other Senior Management to lead the implementation of the Group's Risk Management Policy. The Risk Management Committee reports to the AC on its findings and the AC will report to the Board accordingly.

The Statement of Risk Management and Internal Control included in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Internal Audit Function

The AC is responsible to ensure that the Group's internal audit function is operating effectively and independently.

An independent Internal Audit function was set up to assist and report directly to the AC in respect of the adequacy of the Group's internal control and risk management systems from the perspectives of governance, risks and controls. A summary of activities conducted by the Internal Audit function as well as the costs incurred in carrying out the function in respect of the financial year under review were set out in the Audit Committee Report of this Annual Report.

The cost incurred for the internal audit function in respect of the financial year was RM185,465.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

Communication Policy

The Board recognizes the importance of maintaining an effective communication channel between the Board, shareholders and other stakeholders for timely dissemination of information. To facilitate this process, the Board has formalised a Corporate Disclosure Policies and Procedures with regards to the handling and disclosing of material information to the public.

Besides the direct communication and interaction with shareholders at the Company's AGM, the Group has an official website at **www.lbalum.com** where useful information including corporate information, products and facilities, financial result and announcements are uploaded for easy access by the public. Shareholders or potential investor can also send their feedback or inquiries to the Company via the website. The Group's website is continuously updated to provide timely and accurate information to the users.

The notice of general meetings, proxy form, Annual Report, Circulars to shareholders and minutes of the general meetings are also published on the Company's website.

Shareholders may also contact the Company's Executive Secretary, Ms Irene Leong to address any concern which a shareholder may have and she can be contacted via telephone, facsimile or electronic mail as follows:-

Tel. No. 03-2163 3688
Fax No. 03-2163 2122
e-mail: **irene@lbalum.com.my**

Corporate Disclosure Policies and Procedures

The Board has outlined the Company's approach towards the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, preventing abuse of undisclosed material information and provides guidelines for achieving consistent disclosure practices.

The Corporate Disclosure Policies and Procedures ("Policy") applies to the conduct of all Directors and employees of the Company with regards to handling and disclosing material information.

The Policy covers all methods that the Company uses to communicate to the public:

(a) Documents filed with the regulators, written statements made in the Company's annual and quarterly reports, press releases, letters, circulars to shareholders, e-mail communications and information on the Company's website; and

(b) Oral statements made in group and individual meetings, interviews and press conferences and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, advisors and media).

The Policy does not apply to communication made in the ordinary course of business not involving material information.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings

Notice of Annual General Meeting

The Annual Report 2020 and notice of the last AGM held on 29 September 2020 were made available to the shareholders of the Company at least twenty-eight (28) days prior to the AGM. The notice of AGM is also published in a national newspaper. The notice would include explanatory statements for proposed resolutions to facilitate understanding and evaluation of issues involving the shareholders. The Company encourages its shareholders to participate in the forthcoming AGM which will be held on 28 October 2021.

Attendance at Annual General Meeting

The AGM serves as a useful platform for shareholders to participate and communicate with the Board and encourages shareholders to engage in any discussion. All the Board members with the exception of Mr Teh Kok Heng attended the last AGM held on 29 September 2020. The Company's External Auditors, Head of Finance and Company Secretary were also present to provide support to the Board.

Voting at Annual General Meeting

The last AGM of the Company was held on 29 September 2020 with the appointment of a poll administrator and a scrutineer for the poll voting process. In accordance with the MMLR, the Board put all resolutions to vote by way of poll at the AGM and the results of the polling were made to Bursa Securities on the same day.

III. Statement on Directors' Responsibility

The Directors are required, pursuant to Section 251(2) of the Companies Act, 2016 (the "Act"), to draw up financial statements for each financial year that gives a true and fair view of the state of affairs of the Company and of the Group as at the end of the accounting period and of their results and cash flow for the year then ended. In addition, the Directors have the general responsibility for taking such steps as they are reasonably open to them to safeguard the assets of the Group and to prevent fraud and other irregularities. In preparing the financial statements for the year ended 30 April 2021, the Directors have:-

(i) adopted the appropriate accounting policies, which are consistently applied;
(i) made reasonable and prudent judgments and estimates; and
(i) ensured that the applicable approved Financial Reporting Standards in Malaysia and the provisions of the Act are complied with.

The Statement of Directors pursuant to the Act is set out in the Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT FEES AND NON-AUDIT FEES

The amount of non-audit fees paid or payable to firms or corporations affiliated to the external auditors for the financial year ended 30 April 2021 amounted to RM15,380 for the Company and RM57,347 for the Group respectively (2020: RM14,300 for the Company and RM49,930 for the Group). The amounts of audit fees paid or payable to the external auditors of the Company and the Group have been disclosed under Note 29 to the Audited Financial Statements of this Annual Report.

2. MATERIAL CONTRACTS

No material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and/or its subsidiaries which involved Directors' and/or major shareholders' interests, either still subsisting at the end of the financial year ended 30 April 2021 or, if not then subsisting, entered into since the end of the previous financial year.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The related party transactions are set out in the notes to the financial statements in which the transactions were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 30 April 2021 are as follows:-

Company/ Subsidiaries Involved	Transacting Parties	Nature of Recurrent Transactions	Aggregate Value (RM'000)	Interested Related Party and Nature of Relations
LB Aluminium Berhad ("LBA")	Formosa Shyen Horng Metal Sdn Bhd ("FSHM")	Purchase and tolling services of aluminium billets from FSHM by LBA	111,223	1 Datuk Leow Chong Howa ("Datuk Leow"), a Director and major shareholder of LBA, is a Director and major shareholder of A-Rank Berhad, the holding company of FSHM. 2 Leow Vinzie, the daughter of Datuk Leow, is a Director of A-Rank Berhad. 3 Leow Vinken, a son of Datuk Leow, was the Alternate Director to Datuk Leow in LBA during the financial year ended 30 April 2021.
LB Aluminium (Sarawak) Sdn Bhd ("LBAS")	FSHM	Purchase and tolling services of aluminium billets from FSHM by LBAS	13,347	

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") to maintain an effective risk management and internal control framework to safeguard shareholders' investments and the Group's assets. Pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), the Board is pleased to present herewith the Statement on Risk Management and Internal Control ("SORMIC"), prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guidelines") endorsed by Bursa, which outlines the nature and state of risk management and internal control of the Company and its subsidiaries ("the Group") for the financial year under review.

BOARD RESPONSIBILITY

The Board recognises the importance of a sound system of internal control and risk management practices are essential in ensuring good corporate governance. The Board acknowledges its overall responsibility of ensuring the adequacy, effectiveness and integrity of the risk management and internal control system to safeguard shareholders' investments and the Group's assets. Such a system is designed to manage an acceptable risk profile rather than eliminate the risk of failure to achieve the business objectives; and can only provide reasonable and not absolute assurance against the occurrence of any material misstatement of management and financial information and records, financial losses or fraud.

In pursuing its responsibility, the Board confirms that there is continuous effort to enhance the overall risk management process of identifying, evaluating, managing and monitoring the significant risks by pursuing various initiatives and to enhance the tools and processes for effective management of risks faced by the Group in its achievement of objectives and strategies.

The Board, assisted by the Audit Committee and Risk Management Committee ("RMC") will continue to assess the adequacy and effectiveness of the risk management and internal control system including financial, operational, information technology and compliance controls as well as the governance process.

RISK MANAGEMENT POLICY

The Board has, through its RMC, established a risk management and internal control framework that was implemented throughout the Group, which is firmly embedded in the Group's processes and structure.

The Board's primary objective and direction in managing the Group's risks are focused on the achievement of the Group's business objectives. Overall, the Board balances the need for risk-taking and the requirement for sustainable business growth in view of maximizing long-term shareholders' value growth. The Risk Management Policy has been in placed to identify key risks, the likelihood of those risks occurring as well as any strategy to control or manage those risks affecting the business. Ongoing overall risk management process also includes budgetary controls and regular meetings among senior management to assess:

- Performances of branches and other operating subsidiaries;
- Impact of changes in competition and operating environment; and
- Risks and opportunities in the business and the ensuing action plans.

The Risk Management Policy shall be to safeguard the interest and meet the expectations of its shareholders, employees, customers and the many communities as well as environment in which the Group conducts its business. This involves:

- Enhancing strategic competitiveness and operational efficiency that increases long term shareholders' value;
- Minimising unexpected impact to earning and returns to shareholders;
- Safeguarding valuable assets and resources;
- Balancing expectations of various stakeholders; and
- Meeting existing regulatory requirements on risk management.

MONITORING AND REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROLS

The Board is committed to maintain a strong control structure and environment for the proper conduct of the Group's business operation. The key elements are:

Control Environment

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.

- The Board has established an organization structure with clearly defined lines of responsibilities, authority limits, and accountability aligned to business and operations requirements which support the maintenance of a strong control environment.

- The Board acknowledges the importance of promoting good business conduct and maintaining a healthy corporate culture among the Directors and has formalized in writing a Code of Conduct and a Code of Ethics for Directors, which set out the standards of good behavior by underscoring the core ethical values that are vital for their business decisions. The Code of Conduct and Code of Ethics for Directors are included in the Board Charter which is published at the Company's website at **www.lbalum.com**.

- The Group demonstrates commitment to integrity and ethical values. An Employee Policy Manual relating to the professional conduct and ethics that are applicable to all employees is available to foster long-lasting and harmonious working relationship among the employees including setting out standards Code of Conduct to be adhered by the employees in performing their duties. The manual is regularly reviewed to incorporate the changes that will enhance working efficiency, integrity and ethical values. The Code of Conduct is also uploaded on the Company's website at **www.lbalum.com**.

- Emphasis is being placed on enhancing the quality and ability of employees through continuous training and development base on annual training plan as well as structured training program. Employees' competencies are assessed through the performance evaluation systems, potential areas for further development and training are highlighted by the heads of departments to expand the level of competencies of the employees.

- There is a strong inherent corporate culture wherein any and all exceptional matters that require Senior Management's attention and/or decision were communicated and/or reported accordingly.

- In compliance with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Amendment Act 2018, the Group has established the Anti-Bribery and Corruption ("ABC") Policy as part of Anti-Bribery Management System of the Group to help prevent, detect and address bribery and corruption, by establishing a culture of integrity, transparency and compliance. The ABC Policy is published in the Company's website at **www.lbalum.com**.

Control Activities

- Limits of authority sets out clear segregation of duties based on the approved levels according to the role and function for revenue and capital expenditure, as well as credit limits and credit terms given to customers to facilitate timely, effective, quality decision making and to keep potential exposure under control. The limits are reviewed and updated regularly to reflect the current business environment, operational and structural changes of the Group.

- Standard Operating Procedures ("SOP") manual sets out the policies and procedures for day to day operations to be carried out, periodic reviews are performed to ensure that the SOP remains current, relevant and aligned with evolving business environment and operational needs. Key supporting policies and procedures are available on the Company's website at **www.lbalum.com**.

MONITORING AND REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROLS (CONT'D)

Control Activities (cont'd)

- Health and Safety Policies and Procedures are developed to assist in maintaining a safe working environment for all employees, under the purview of an Occupational Safety and Health Committee.

- Regular visits to operating units within the Group by Executive Directors and key members of the Management.

- The Group is ISO 9001-2015 certified. The effectiveness of the system of internal control is also reviewed through the ISO 9001 Quality Management Systems certification be evident by the range of controls and processes that have already been established, to create efficiencies by aligning and streamlining processes throughout the organization.

- Amid the COVID-19 pandemic, the Group has complied with the standard operating procedure (SOP) set by the Government and has introduced a set of business continuity plan by placing priority on the health and safety of the employees and customers, distribution of masks and hand sanitisers, sanitising workplace regularly especially common areas, put up posters to create hygiene awareness, weekly standard operating procedures (SOP) briefing, weekly hostel inspections, split operations mode across various locations, separating workforce and ensuring adherence to social distancing requirements, introduced flexible working arrangement to enable employees to work from home, enhanced supply chain management to better serve our customers following the implementation of various lockdowns and closely follow up on potential leads.

Information and Communication Processes

- Implementation of Human Resources Management System is to assist users in managing its human resource optimally with greater effectiveness and efficiency. It covers the entire payroll function, ranging from capturing employees' information, calculation of salaries and pay, documentation and acting as an analytical tool for Human Resource planning and reports submission to authorities.

- Accounting Policies approved by the Board are applicable to the entire Group. Revisions and additions are made when necessary.

- The Group has in place a business applications and related peripheral in maintaining an ethos of being responsive to changing market needs and resolve operational deficiencies.

- The Audit Committee reviews the quarterly financial results and evaluates the explanations and reasons for significant unusual variances noted thereof.

- The Audit Committee assists the Board in assessing the effectiveness of internal controls by reviewing reports from the internal and external auditors.

- The Group has implemented a Whistle Blowing Policy that provides an anonymous, secure and confidential communication channel for directors and employees to report actual or suspected malpractice, misconduct or violations within the Group, in order to develop and maintain high standard of corporate governance and business integrity. The Whistle Blowing Policy is made available on the Company's website.

- A Personnel Data Protection Policy is available on the Company's website for the management, control and protection of confidential information used by the Group to avoid leakage and improper use of such information.

- The Group aspires to the highest standards of integrity and honesty in the everyday conduct of its business, the ABC Policy is in place to assert the Group's stand on giving and accepting gifts and hospitality in relation to suppliers and customers, to avoid conflict of interest or the appearance of conflict of interest in ongoing or potential business dealings between the Group and external parties.

MONITORING AND REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROLS (CONT'D)

Monitoring

- The Group also adopts a budgeting process where operating units prepare budgets for the following year, discussions are held between the Management and the heads of operating units to ensure the budgets are attainable and realistic. A management reporting system is in place to carry out monthly monitoring and review of financial results and forecasts against budgets for all business units, with remedial action taken immediately for major variances and followed up, where necessary.

- The Group has implemented the Recurrent Related Party Transactions ("RRPT") Procedures to ensure proper identification and reporting of RRPT, and to ensure that the RRPT are conducted on arms-length basis, on prices and terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Group.

- Monthly Management Meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues.

- Other scheduled meetings held monthly or bimonthly include Credit Control Meeting to evaluate and approve credit terms and limits for customers; Sales and Marketing Meeting to formulate sales strategies, update market information as well as to review collection; and Production Meeting to resolve operational issues.

- In line with the Management's desire to enhance the performance of the Group, the Management has implemented a performance evaluation system based on Key Performance Indicators ("KPIs") to assess and reward executives and above of the Group. Top down target setting process with target cascading from the Executive Chairman has improved strategic focus and direction.

Risk Management

- The Board had established a Risk Management Committee ("RMC"), headed by the Group's Chief Executive Officer ("CEO") which comprises the Group's Executive Director, Head of Finance ("HOF") and other Senior Management to identify, manage, update and assess the Group's risks, and thereafter to develop, implement and monitor appropriate risk management processes and internal controls to address and mitigate such risks.

- Risk management has been part of the Management's day-to-day operations and has in place a Risk Register where key risk profiles are established. The Risk Register is updated periodically wherein each fundamental risk has a risk owner who is responsible for ongoing monitoring and review of the risks and related controls and that action plans are developed and implemented to manage these risks and will report to the RMC on half yearly basis, and the same is presented at the Audit Committee meetings.

- Identify and review the risk elements that impact on the financial performances of the Group and establish mechanism to manage risk including and not limiting to volatility of foreign exchange rates, escalating cost of operations and competitive pricing of products.

- Adequate and relevance of insurance coverage is in place to ensure the Group's assets are sufficiently covered against any mishap that may result in material losses and business interruption to the Group, which is reviewed annually.

- The RMC meets twice a year to review the execution of the risk management framework as well as to deliberate on the top business risk and the actions to be taken to mitigate the risk identified and present report to Audit Committee in a timely manner.

- Assessment of RMC's own performance with the signing off of the Risk Committee Performance Evaluation – Self-Assessment Questionnaire on an annual basis.

INTERNAL AUDIT FUNCTION

The internal audit department on quarterly basis reports directly to the Audit Committee. Internal audit plans are reviewed and approved by the Audit Committee and the plans include independent appraisal on the compliance, adequacy and effectiveness of the Group's internal controls and to assess and monitor the effectiveness and implementation of the Groups' Risk Management Policies. Included in the reports are risk measures of issues identified and recommended corrections for implementation by the Management. Follow-up reviews on previous audit recommendations are carried out to ensure compliance and appropriate actions have been implemented to address weaknesses highlighted to ensure that they are dealt with adequately.

ADEQUACY AND EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Based on the framework established and the reviews conducted, the Board is of the opinion, with the concurrence of the Risk Management Committee, that there are sound and sufficient controls in place within the Group addressing material financial, operational, regulatory compliance and information technology risks to meet the business objectives and strategies of the Group in its current business environment.

During the financial year under review, a number of internal control weaknesses were identified, all of which have been or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report were noted. The Board confirms that its system of risk management and internal control was operational throughout the financial year and up to the date of approval of this statement for inclusion in the Annual Report.

Notwithstanding the fact that the Group's system of risk management and internal controls do not eliminate the possibility of collusion or deliberate circumvention of procedures by employees or fraud or other unforeseen circumstances, the Board has received assurances from the Group's Chief Executive Officer ("CEO") and the Group's Head of Finance ("HOF") that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management model adopted by the Group. The Management will continue to review and take measures to ensure the ongoing effectiveness and adequacy of the system on risk management and internal controls.

The Board is satisfied that during the financial year under review, there is a process in identifying, evaluating, managing and monitoring the risks of the business to mitigate any significant risks faced by the Group so as to safeguard shareholders' investments and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required by Paragraph 15.23 of the Listing Requirements of Bursa Malaysia, the external auditors has reviewed this SORMIC in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"), for inclusion in the Annual Report for the financial year ended 30 April 2021 and reported that nothing has come to their attention that causes them to believe that the SORMIC included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the SORMIC Guidelines, nor is the SORMIC factually inaccurate.

This SORMIC is made in accordance with the resolution of the Board of Directors dated 14 September 2021.

SUSTAINABILITY STATEMENT

The preservation of the eco-system and the natural environment for the future generation while providing solutions for our customers has been an integral part of our corporate culture. We believe that by consistently following the sustainable development path will enable us to achieve our vision of becoming the *"Preferred Global Partner in Aluminium"*.

ABOUT THIS REPORT

Our Sustainability Statement is designed to reflect the significant Economic, Environmental and Social ("EES") impacts of the Group's operations to facilitate decision making of stakeholders and contribute to the development of a sustainable aluminium industry.

Scope and Boundary

This report covers all subsidiaries of the Group which the Group has direct control.

Reporting Period

This report accounts our EES activities from 1 May 2020 to 30 April 2021. Historical information collected from previous years is included to provide a basis of comparison.

Report Guidelines

This report is prepared based on the following guidelines:-

- Principal Guideline: Bursa Malaysia Sustainability Reporting Guide
- Reference Global Reporting Initiatives ("GRI") Standards

Reporting Cycle

This report is prepared annually coinciding with our financial year ended 30 April 2021 ("FY2021").

Feedback and Comments

Please direct your feedback and comments to: **irene@lbalum.com.my**

MATERIALITY

We have used a materiality determination and prioritisation process to identify the most relevant topics to address in this report. To assess materiality, we considered our overall Mission and Vision, competitive strategy, and the interests of our stakeholders. Materiality analysis allows us to identify key issues to help guide our actions to achieve sustainable improvements.

Materiality Process

Material Indicators

- Detemined and prioritised EES sustainability indicators that impact our stakeholders relevant to the Group's business and operations.

Stakeholder Influence

- Created and prioritised a list of relevant stakeholder groups, who can provide a meaningful perspective on the Group's sustainability strategy.
- Requested the stakeholders to rate the importance and impact of each indicator we identified.

Review, Validation and Approval

- The result of the matrix was reviewed and validated by the Management to ensure it is in line with the Group's strategy.

Materiality Matrix

The outcome of our materiality assessment in terms of the significance of the EES impacts to the organisation or their influence on stakeholder assessments and decisions are illustrated below:

The Group has identified sixteen (16) material issues as shown below. The X-axis represents EES issues relevant to the Group and the Y-axis denotes the issues material to our stakeholders. The issues on the top right of the matrix are considered of highest significance to our Group and stakeholders.

The four (4) sustainable aspects that we determined to be the most important to our stakeholders and the Group are *Resource Maximisation, Safety and Health, Compliance* and *Material Recovery*. Resource Maximisation, Material Recovery and Compliance are intertwined and significant to protect the environment and reduce virgin material extraction. The Health and Safety of our employees are directly connected to our operation, and thus, we keep close risk management in these areas.

The least significant aspects are Vibration, Noise and Philanthropy. Our factory does not create noise and vibration that could adversely affect the community where we operate. Also, our factory location is away from residential community and located at a dedicated industrial area.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a collaborative process that is critical to the success of the Group.

We practice a year-round engagement with stakeholders to offer timely responses that address and anticipate their concerns.

The table below shows the list of stakeholders with whom we engage and who we believe are impacted the most by our business activities. The table also catalogues their concerns and our responses to resolve such issues:

Stakeholder Group	Concerns	Responses
SHAREHOLDERS	The Group's financial performance	• The Group will continue innovating and concentrate on improving its operational performance to ensure that the Group's margins are maintained • The Group will keep on identifying new business opportunities to sustain future business growth
	Communication with shareholders	• Shareholders are encouraged to participate in the Company's General Meeting, where they can engage with the Management • Timely disclosure of important information on the Company's website and immediate announcement made to Bursa Malaysia Securities Berhad
EMPLOYEES	Occupational safety and health	• Establishment of an Occupational Safety and Health Committee • 24-hour security surveillance • Provision of safety gears for the protection of employees against serious injuries • Consistent promotion and constant updating of the awareness for safety precautions and health issues
	Career development	• Annual training plan • Employee participation in local and international trade fairs and exhibitions (this has been on hold in view of the Covid-19 pandemic) • Apprenticeship opportunities for eligible employees under HRDF's Apprenticeship Scheme
SUPPLIERS	Long-term business relationship	• Conducting site visits at the suppliers' premises • Maintaining two-way communication with suppliers • Fair and ethical procurement process
COMMUNITY	Community development	• Donations to schools, charity foundations and welfare bodies • Distribution of gifts to the needy during festivals
CUSTOMERS	Quality of products, after-sales service and on-time delivery	• Stringent quality control • ISO 9001 certification • Adopting the "***Do it right the first time***" motto to achieve operational excellence • Annual customer surveys • Continuing to introduce state-of-the-art technologies and products
GOVERNMENT	Statutory compliance	• Conducting relevant trainings for employees • Strict monitoring to ensure compliance with relevant rules and regulations

SUSTAINABILITY GOVERNANCE

Our key business principles:-

- State-of-the-art equipment
- Vigorous quality-control measures
- Listening to and working with our customers
- On-time delivery
- Innovation in manufacturing
- Commitment to eco-sustainability

In line with the Group's key business principles, the Management is committed towards achieving the highest sustainability practices in driving our business to be a good steward of the Environment, Community and our Employees.

The Board provides guidance and oversight to ensure that the Company is equipped with the appropriate strategies and risk management processes to create sustainable values for all stakeholders. The Group's CEO drives the operational responsibility for sustainability matters, whereas the Management Team is responsible for formulating and implementing sustainability policies across the organisation.

The CEO and the Senior Management Team report to the Board on a regular basis regarding sustainability issues and recommend the best practices for implementation.

All heads of departments are dedicated and unified to the common goal of proactively enhancing their respective department's sustainability practices throughout the Group. The Group's Occupational Safety and Health Committee is headed by our CEO and its members are represented by both the Management and employee representatives.

The Group's Risk Management Policy includes EES components to safeguard the interest and meet the expectations of its shareholders, employees, customers, communities and the environment that are impacted by our business and operations.

By adhering to our key business principles and responding to shifts in sustainability matters, the Management looks forward to continually improve the delivery of sustainable products and services.

Creating Worthiness

As we journey towards further success, the Group strives to create worthiness by becoming a company that our clients, employees and the community can depend on. As we unswervingly overcome the challenges brought about by economic, technological and geopolitical changes, we push our capability to navigate our trajectory towards the right path.

Supporting Local Business

We support Malaysia's manufacturing industries and infrastructure projects as well as property development and construction sectors. We constantly look into upgrading our technology, and augmented by our ongoing initiatives, we endeavour to produce better products and offerings.

Going Global

We are constantly upgrading the quality of our products to meet both local and international demand. As at today, our export markets include destinations in North America, China, Australia and New Zealand as well as South East Asia.

ECONOMIC, ENVIRONMENTAL AND SOCIAL

(A) ECONOMIC

INVESTOR

The Group strives to enrich its corporate value by implementing a stable and long-term growth strategy that will benefit its shareholders. The Group maintains its efforts to engage with its shareholders through the following initiatives:

- Maximises the shareholders' wealth through consistent initiatives for achieving operational excellence and sustainable growth;
- Discloses and disseminates all material information in a timely, open, fair and transparent manner;
- Ensures that a robust system of corporate governance is in place;
- Implements policies including Code of Conduct, Anti-Bribery and Corruption Policy as well as Whistle Blowing Policy that will promote ethical behaviour and conducts business responsibly in accordance with high standards and business ethics; and
- Engages with the shareholders and investors via various channels of communication, such as General Meetings of shareholders, press releases and the Company's website.

SUPPLIER

The Group respects and works closely with its suppliers by fostering long-term relationships to realise mutual growth based on mutual trust. In this regard, the Group engages its suppliers through the following protocols:

- We are ISO 9001 certified. All of our suppliers must strictly comply with all relevant local laws and regulations. As part of our assessment process, we conduct site visits at selected suppliers and evaluate their financial performance to determine the viability of the supplies and assess any associated customer complaint. Biannual evaluation is performed for selected key suppliers to make sure that the bulk of our supplies remain optimal;
- We engage in ethical procurement practices by adopting standard and equitable procedures in evaluating the vendors' qualifications;
- We ensure that the supplied products are in accordance with the Group's requirements and standards; and
- We conduct an evaluation of suppliers to verify that the required standards are satisfied in the supply chain.

CUSTOMER

In line with the Group's Mission of "Customer Focus", we are cognizant of our role as a responsible corporate entity and we endeavour to identify, manage and deliver sustainable value in our products and services.

Quality and Reliability

We have established our quality policy to prove our unwavering commitment in fulfilling the stringent requirements of product reliability and quality. In addition to our continuous ISO9001 certification and our adherence to the other global quality standards, we are endeavouring to maintain world-class quality aluminium products.

Technology

The Group stays ahead of the market competition because of our initiatives to invest in new technologies.

Our factories are equipped with the state-of-the-art machineries and equipment from Japan, Italy, Germany as well as China. With technological advantage on our side, we are able to satisfy the strict requirements and specifications of our customers, as all our products are tested for quality assurance before delivery to customers.

Customer Engagement

We have established various forms of customer communication channels so that we can work closely and collaboratively with our valued customers to understand their needs and feedbacks. Timely and sustainable solutions will be devised in order to resolve the challenges.

(a) Regular visits

Regular visits to the customers enable us to meet market demands and modify the designs and technical specifications to meet the requirements of our global network of customers.

(b) Monitoring

Quality reports and complaint systems are monitored closely to ensure issues are resolved in the shortest time and that similar problems do not reoccur.

(c) Satisfaction Survey

Satisfaction surveys are conducted and results are used to understand our customers' satisfaction levels and experiences which give us a deeper understanding of our customers' expectations and define our actions moving forward.

Below are the results of the surveys conducted for past 4 years:

Customer Satisfaction Survey				
Rating Criteria	Scores (out of 100%)			
	2017	2018	2019	2020
Quality	78%	78%	78%	84%
Finishing	79%	78%	78%	85%
Delivery	81%	79%	81%	85%
Price	83%	69%	70%	77%
After Sales Service	83%	83%	82%	88%
Technical Support	80%	77%	79%	86%
Overall	**82%**	**78%**	**78%**	**84%**

(d) Company's website

Our customers may visit the Company's website at **www.lbalum.com** to gain information on our company profile, facilities, products and services. Product catalogues are downloadable and our contact information is provided for customers who wish to reach us.

(e) Mobile application

By using the Company's mobile application, our customers can access and download information on our products and catalogues anytime and anywhere on their mobile devices, such as smart phones and tablets.

(B) ENVIRONMENTAL

The growth of our Group is reflected not only by economic factors alone but also by our alignment with our stakeholders' interest and the Company's Mission of *"Care for the environment"*.

In contrast to other metal industries, the aluminium industry is in a remarkable position to offer sustainable and functional solutions for the society and the economy. Aluminium's elemental nature possesses an inherent and unique recyclability property. Once a particular aluminium product has reached its end of life, it can undergo an infinite recycling process for the benefit of future generations.

Our production process operates in a procedure designed to conserve resources, reduce discharges and emissions as well as recycling of waste and production residuals. We identify and strive to minimise our environmental impacts during production by installing environmentally friendly mechanisms, practising active monitoring on waste management and continuously working on conserving resources.

Environmental Compliance

The environmental regulations that specifically apply to the Group are:-

- Environmental Quality Act 1974;
- Environmental Quality (Clean Air) Regulations 2014;
- Environmental Quality (Industrial Effluent) Regulations 2009; and
- Environmental Quality (Scheduled Wastes) Regulations 2005

We are committed to operate in accordance with these relevant laws and regulations, so that we can ensure that our operation procedures are of the prescribed standards.

Waste and Resources Management

In all of our facilities, we apply the "Reduce, Reuse and Recycle ("3Rs")" approach to achieve a more sustainable factory waste and resources management system. Our aim is to reduce the disposal costs, toxicity and consumption of natural resources and overall waste-related impacts.

(a) Material Recovery

We strongly believe in fully harnessing the advantages of aluminium scrap recycling. This strategy leads to multiple pronged rewards: reduces waste, boosts the economy by supplying the demand for more aluminium products and curtails further extraction of metals. These ultimately result in savings in environmental and social costs.

Below is the percentage (%) of the recycled aluminium used in the production for the past 4 financial years:-

Recycled Aluminium				
	FY2018	FY2019	FY2020	FY2021
% of recycled aluminium	26%	24%	25%	25%

(b) Glove Recycling Project

A project that has been fundamental in our journey towards consistent improvement, particularly in terms of both environmental conservation and cost reduction is our Glove Recycling Project.

Instead of a one-time use, our used gloves for certain operation departments with heavy usage are sent to external party for reconditioning and cleaning. This endeavour is not merely a cost-saving measure but also an environmentally friendly way to reduce our impact to the surroundings. Gloves can be recycled as many times as possible as long as the gloves are intact.

(c) Scheduled Wastes

To reduce the quantity and toxicity of our scheduled wastes, we have installed eco-friendly systems such as Caustic Recovery System, Acid Recovery System and Sludge Dryer while we reuse and refill chemical containers for liquid raw materials and/or chemicals.

In addition, there are established procedures for the collection of recyclable wastes which will contribute to environmental preservation. The following are the recyclable wastes that were collected and sold to external recycling companies during the financial year under review:

Recyclable Waste			
Nature of Waste	Quantity		
	FY2019	FY2020	FY2021
Aluminium Hydroxide	907,543 Kg	797,802 Kg	885,100 Kg
Aluminium Scrap and Saw Dust	149,798 Kg	70,139 Kg	84,379 Kg
Iron Scrap	74,980 Kg	38,511 Kg	35,430 Kg
Broken Mould	64,015 Kg	113,590 Kg	78,010 Kg
Paper and Plastic	41,782 Kg	25,614 Kg	44,568 Kg

For non-recyclable wastes, we have hired an external qualified waste management company to collect the non-recyclable hazardous wastes from our premises for proper disposal in accordance with the industrial standards.

(d) Water Management

We endeavour to reduce our water consumption and manage our water discharge responsibly, so that the treated water can be returned safely to the water cycle whilst imposing minimum impact on the environment.

Effluent

We monitor closely the wastewater discharge in terms of quality and actual destination of discharge at our premises. We assess a total of more than 30 water quality parameters in our wastewater treatment plant. The analysis of the samples of wastewater that are discharged from our factories is carried out by an external party at a laboratory certified by Department of Environment.

Volume of the wastewater treated for the past 4 financial years:

Treated Wastewater				
	FY2018	FY2019	FY2020	FY2021
Volume (M^3)	511,890	424,317	353,127	415,426

Energy Management

The key to saving energy in our organisation is energy management. For this reason, our Group is consistently working to reduce our energy consumption and constantly raising awareness amongst employees about ways to improve process efficiencies and maximise productivity, strengthen standard operating procedures and implement the use of energy-efficient equipment.

Below are the details of energy consumption for the past 4 financial years:-

Energy Consumption				
	FY2018	FY2019	FY2020	FY2021
Diesel (litres)	98,993	97,723	84,374	93,077
Natural Gas (Sm3)	4,064,897	3,901,824	3,425,980	3,896,246
Electricity (kWh)	41,433,560	40,359,516	34,859,854	37,663,160

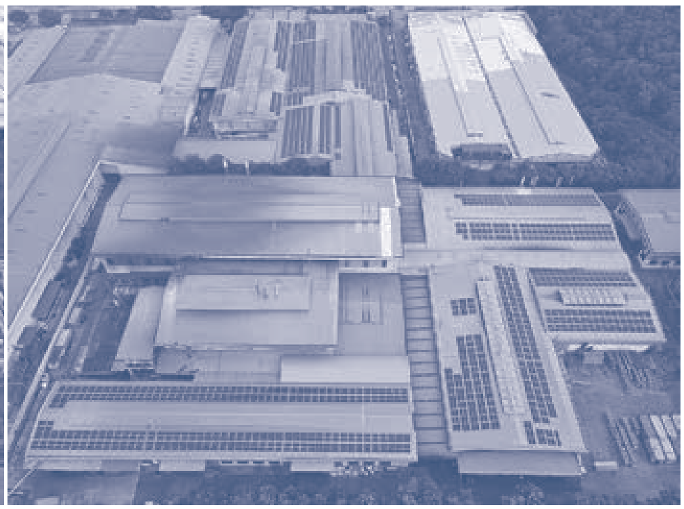
Solar Energy

We are constantly exploring the use of renewable energy to reduce production cost as well as to minimise the energy-related environmental damage caused by fossil fuels. At present, purchased electricity and fuels (diesel, natural gas and liquefied petroleum gas) are our main energy sources. The initiative to transition towards solar energy will reduce our dependency on fossil fuels and at the same time increase our commitment towards environmentally friendly renewable energy sources.

During the financial year, we have commissioned a second solar photovoltaic rooftop project with capacity of 1.2 MWp at our main factory in Beranang.

Below are the details of electricity saving from our solar photovoltaic rooftop projects for the past 2 financial years:-

Solar photovoltaic rooftop project	FY2020		FY2021	
	MWh	RM'000	MWh	RM'000
1.0 MWp	964	342	1,332	473
1.2 MWp	–	–	574	204
Total	**964**	**342**	**1,906**	**677**



Environmental Training

To instil more sustainable practices in our workplace, we have designed sustainable environmental initiatives. In addition to daily reminders and internal environmental trainings, we will send our employees to external trainings as and when there are suitable topics in relation to our operations to ensure that we are in line with the current good practices, regulations and existing standards.

(C) SOCIAL

EMPLOYEE

The Group's employees are amongst its most valuable assets and are key drivers of our organisational success.

To this end, we employ various means of employee engagement in order to build a bright future and a decent working environment for our people.

Employee Trainings

The Company has made a concerted effort to attract, retain, motivate and develop the best talents that the industry can offer. We have organised multiple comprehensive training programmes that cover a wide range of topics: compulsory product and induction training; management and leadership skills; operation, technical and maintenance skills; sales and marketing; governance and regulatory compliance; and quality and productivity improvement courses.

Each training category comprises a number of sub-categories that are specialised for employees of different classes and departments.

The following are the summary of the trainings provided to employees in the year under review:-

Training Type	Training Subcategories	No. of Attendees	Number of Hours
Compulsory Product and Induction	• New employee orientation	28	3
	• Intra-departmental training	8	3
	• Foreign worker induction	214	1
Governance and Regulatory Compliance	• Latest updates on listing requirements & corporate governance monitor report and risk & continuity strategy for business sustainability in challenging times	7	3
	• FMM seminar on facilitating seamless import and export clearance using the right customs facilities	4	1

Covid-19 pandemic has caused us to adapt a new way to get connected to training. We digitalised our training and development programs for the employees through virtual trainings during the lockdowns.

Diverse Workforce

The Group welcomes talented employees from different backgrounds as we believe that the skill, expertise and work ethic of the employees are the attributes that will ultimately determine their success within the organisation.

The Group upholds equal opportunity and forbids harassment of any kind. Employees who are found engaging in activities of harassment or discrimination will be held liable to strict disciplinary action.

The number of our employees categorised by gender and age group:-

	By Age Group			
Number of Employees	**20 – 30 years old**	**31 – 40 years old**	**41 years old and above**	**Total**
By Gender				
As at 30 April 2021				
Male	331	274	231	836
Female	58	43	33	134
Total	**389**	**317**	**264**	**970**
As at 30 April 2020				
Male	295	234	219	748
Female	53	44	31	128
Total	**348**	**278**	**250**	**876**
As at 30 April 2019				
Male	317	250	224	791
Female	55	51	33	139
Total	**372**	**301**	**257**	**930**

Work Life Balance

Our employees collectively work towards a shared objective and spend a significant amount of time interacting with one another in a professional setting. As such, the Group recognises the importance of nurturing positive employee relationships through team-building activities and social gatherings. We highlight the celebration of major achievements, important milestones and other events that are important to our employees.

Due to the Covid-19 pandemic, the planned sports and recreational activities were stopped following the standard operating procedures ("SOP") issued by the government. With the ongoing vaccination program roll-out in our country, we hope to resume our usual employee engagement activities very soon to cultivate stronger relationships among our employees.

Other events include Hari Raya Celebration and Annual Dinner Event for the year 2021 have been postponed to a later date amidst the outbreak of the Covid-19 pandemic as we place the safety of our employees as our utmost priority.

Employee Retention

The Group recognises the employees' contributions and achievements in accomplishing the Company's goals by rewarding bonuses and incentives to maintain a high performance work force. We established Long Service Award in recognition of our employees' loyalty, dedication and commitment towards the Company. Meanwhile, we also provide medical benefits, hospitalisation and personal accident insurance coverage as well as educational support for the children of employees in need.

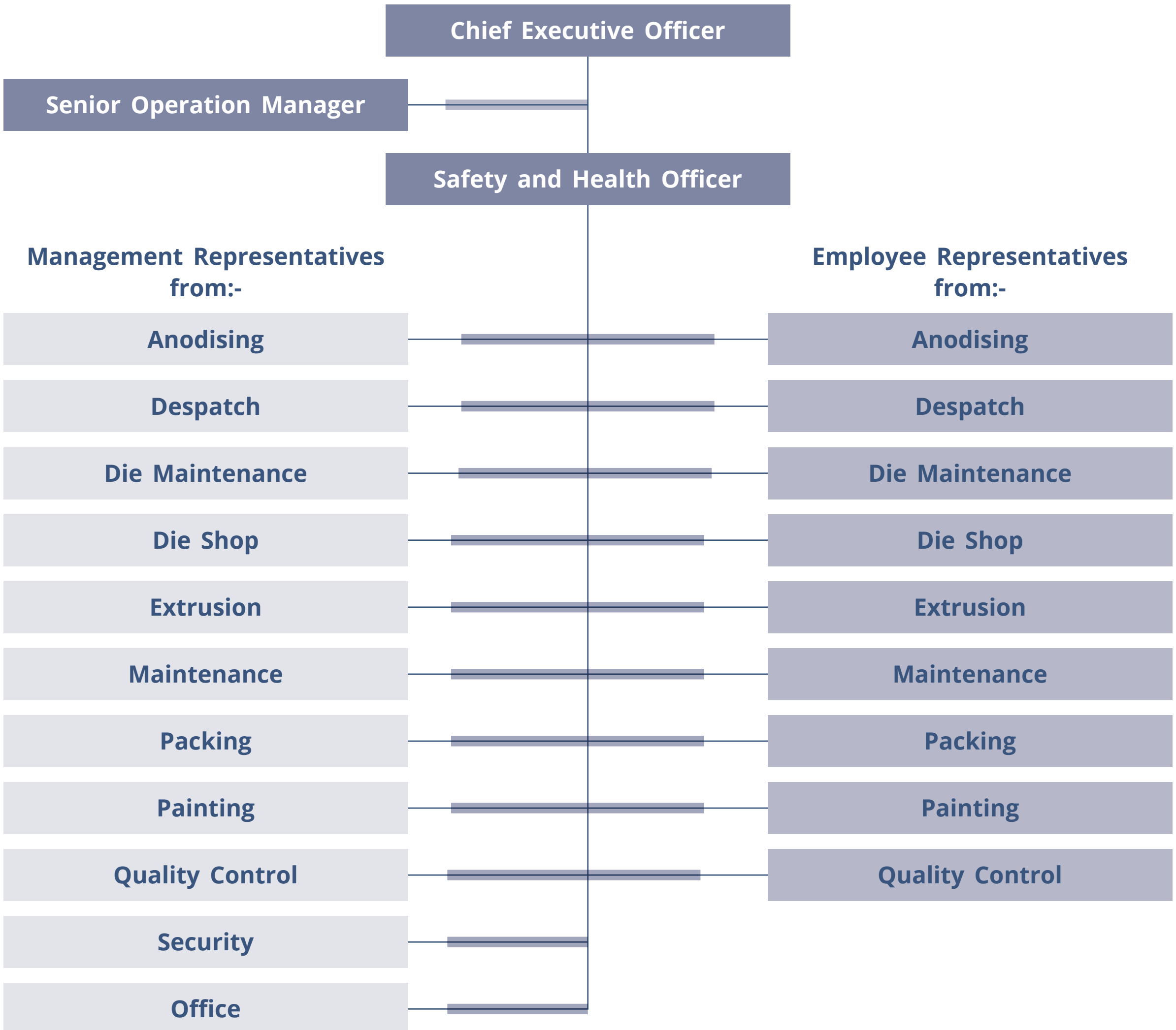
We are pleased that since the outbreak of the pandemic, the Group has not lay off any employee.

Safety and Health

Safety and Health is embedded in our Mission of *"We provide safe work environment"* and is ranked high amongst our materiality theme. The Group's Occupational Safety and Health Committee ("OSHC") is headed by the CEO and consists of Management and employee representatives from different functional groups. The OSHC is responsible for the group-wide continuous improvement, enforcement and promotion of the internal and external workplace safety, health and welfare in our operations.

The following is the structure of the OSHC:-

OCCUPATIONAL SAFETY AND HEALTH COMMITTEE



Personal protective equipment including ear plugs, helmets, safety shoes, eye goggles, mask and gloves are provided to relevant employees to prevent the consequences of serious injuries. Employees are required to wear the protective equipment at all times during work hours to minimise the effects of workplace hazards.

Safety and Health Trainings

Our internal and external safety and health programmes are structured by our OSHC and prioritised based on the requirements of specific operation sites and work areas. The orientation and job trainings on safety and health education aim to instil proper knowledge as well as to eliminate unsafe working habits and attitude that may result in possible accidents in the workplace.

The following are the safety and health programmes conducted in the year:-

Topics	Objectives	Participants	Training Hours
Use of Fire Extinguisher	To teach employees how to use a fire extinguisher	All employees	1
5th Annual Manufacturing Excellence	To embrace the latest development in operational excellence and process evolution and innovation and automation towards manufacturing process	Senior operation manager	24
Safety on Making Wooden Pallets	To create awareness among employees on the appropriate ways to make, manage and use of pallets in production area	Production workers	1
Safety on Handling Overhead Crane	To impart the safe operating procedure, awareness and understanding of potential hazards and accidents in crane operation	Crane operator; Assistant supervisor; and Production supervisors	1
Safety on Handling Cutting Machine	To impart the safe operating procedure awareness and understanding of potential hazards and accidents in operating of cutting machine	Production workers	1
Forklift Safety	To show the safe operation of an industrial forklift	Forklift driver; Assistant Supervisor; and Production supervisors	1

Covid-19 pandemic safety measures

We have established a SOP required by government authorities in curbing the spread of the Covid-19 pandemic. Preventive measures implemented including regular briefing on the SOP and latest development of the pandemic, providing personal protection equipment to the employees, sanitising of workplace three (3) times a day, and conducting Covid-19 testing for all our employees fortnightly. Meanwhile, a Covid-19 committee is formed to continuously monitor the compliance of the SOP and the latest development of the pandemic.

We promote vaccination among our employees. As at 30 August 2021, 89% of our employees have been fully vaccinated.

COMMUNITY

The Group takes great care to prevent any adverse EES impact in the communities that we operate in. We pride ourselves on being a responsible corporate entity and we strictly adhere to all laws and regulations put forth within the district of operations.

Moreover, the Group recognises the co-relationship between business growth and community well-being and welfare. Therefore, to fulfil our corporate responsibility to the community, we express our commitment to improve community sustainability by organising various activities that are aimed towards promoting community engagement and addressing the needs of less-fortunate and underprivileged families.

The initiatives taken by the Group include:

- Monetary donations to schools, charity, welfare and voluntary associations;
- Welfare visits and contributions to charitable organisations;
- Distribution of gifts to neighbouring communities and the needy during festivals; and
- Encouragement of our employees to participate in voluntary works for charitable events.

For the financial year under review, the Group supported the children of selected workers in December 2020 by providing cash vouchers to purchase school supplies.

AUDIT COMMITTEE REPORT

COMPOSITION

Toh Khiam Huat (Chairman)
Independent Non-Executive Director

Neoh Lay Keong
Senior Independent Non-Executive Director

Dato' Dr Mohd Husni Bin Ahmad
Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference for the Audit Committee can be viewed at the Company's website at **www.lbalum.com**.

ATTENDANCE

During the financial year ended 30 April 2021, five (5) Audit Committee's meetings were held. The details of attendance of each member at the Audit Committee meetings held during financial year 2021 are as follows:-

Name of Audit Committee Members	Number of Audit Committee Meeting Attended
Toh Khiam Huat	5/5
Neoh Lay Keong	5/5
Dato' Dr Mohd Husni Bin Ahmad	5/5

SUMMARY OF WORK CONDUCTED DURING THE FINANCIAL YEAR

The activities conducted were in accordance with the Terms of Reference of the Committee that included the following:

(i) reviewed the quarterly and year-end results of the Company and the Group before recommending to the Board for its approval;

(ii) reviewed the audited financial statements of the Company and the Group prior to submission to the Board for consideration and approval;

(iii) reviewed the External Auditors' scope of work and audit plan for the financial year. The audit plan was presented by representatives from the External Auditors;

(iv) met with the External Auditors before finalisation of the audited accounts for the financial year under review without the presence of Executive Directors and Management;

(v) reviewed the Internal Auditors' reports and audit plan for the financial year;

(vi) reviewed the External Auditors' report and management letter;

(vii) reviewed the Risk Management Policy and the Risk Management Committee's reports;

SUMMARY OF WORK CONDUCTED DURING THE FINANCIAL YEAR (CONT'D)

The activities conducted were in accordance with the Terms of Reference of the Committee that included the following: (cont'd)

(viii) reviewed the Group's Anti-Bribery and Corruption Policy before recommending to the Board for its approval;

(ix) reviewed the related party transactions and any conflict of interest that may arise within the Group;

(x) considered and recommended to the Board the re-appointment of the External Auditors and their audit fees after taking into consideration the independence of the External Auditors;

(xi) reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to inclusion in the Company's Annual Report;

(xii) conducted self-assessment on the effectiveness of the Committee and the contribution of each individual committee member; and

(xiii) reviewed the adequacy of the scope, functions, competency and resources of the Company's Internal Audit Function and whether it has the necessary authority to carry out its work.

All the requirements under the Terms of Reference were complied with and the Audit Committee did not see any matters in breach of the Bursa Malaysia Securities Berhad's Listing Requirements that warrant reporting to Bursa Malaysia Securities Berhad.

INTERNAL AUDIT FUNCTION

The internal audit function is independent and has no involvement in the operations of the Group. It was set up within the Company to assist and report directly to the Audit Committee in providing assurances that the internal control system of the Group is effective and adequate.

For the financial year under review, audits were performed to evaluate and identify any weaknesses of the internal controls affecting the Group, the adequacy of the existing system of controls and to recommend measures to management to improve and rectify any weaknesses. The Management is responsible for ensuring corrective actions on reported weaknesses are taken within the required time frame.

For the financial year ended 30 April 2021 the audit reviews covered the following key risk areas, in accordance with the approved audit plan:-

(a) Manufacturing Division
- Planning
- Extrusion
- Powder Coating
- Maintenance
- Quality Control
- Die Maintenance

(b) Trading Division
- Export Sales
- Warehouse

(c) Support Division
- Human Resources
- Procurement
- Finance

(d) Branches
- Penang
- Kuantan
- Melaka

(e) Subsidiaries
- LB Aluminium (Sarawak) Sdn Bhd
- ALBE Metal Sdn Bhd
- SEMS Sdn Bhd

The costs incurred for the internal audit functions in respect of the financial year ended 30 April 2021 was RM185,465.

EXECUTIVE CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Group and of the Company for the financial year ended 30 April 2021.

OVERVIEW

The financial year 2021 started off where we left the previous year. The Covid-19 pandemic continued unabated with widespread effects on both the domestic and global economy. The first half of our financial year commenced with lockdowns implemented in most countries around the world to suppress the spread of the pandemic. This had a significant negative impact on economies as the consequent weak demand and lower consumption resulted in both global and domestic economic activities slowing down. The Malaysian economy contracted by 5.6% in 2020 compared to a growth of 4.3% in 2019.

During this difficult period, the health and safety of our employees remain our top priority. We adhered strictly to the Covid-19 safety protocols recommended by the Malaysian health authority and performed Covid-19 tests for all employees on a regular basis. We also encouraged and facilitated all our employees, both local and foreign, to be vaccinated. In this regard, I am happy to report that as of the date of this report, more than 80% of our employees have been fully vaccinated. Accordingly, we are now operating with 100% of our workforce. I would like to take this opportunity to thank our employees for their cooperation and patience in ensuring a safe and healthy environment at our workplace. I also would like to add that we have continued to retain all our employees with no pay-cut despite the trying times.

To spur economic growth, the Malaysian Government unveiled several stimulus packages parallel with like stimulus packages initiated in most countries. Bank Negara Malaysia expects the local economy to rebound in 2021 as external demand pick up and private and public expenditures increase. The National Recovery Plan ("NRP") announced by the then Prime Minister on 15 June 2021 will provide a fillip for Malaysia to achieve normalcy and return to growth through a four-phase exit strategy from the Covid-19 pandemic. In addition, the National Vaccination Program has been an unqualified success for Malaysia to achieve herd immunity by the end of October 2021.

FINANCIAL PERFORMANCE

I am proud to report that despite the difficult and disruptive business environment, the Group reported a historical high profit before and after tax of RM49.0 million and RM40.6 million respectively for the financial year ended 30 April 2021. The Group's revenue for the year under review increased by 15% to RM527.2 million. The Group's results are explained in the Management Discussion and Analysis of this Annual Report.

Earnings per share for FY2021 was 9.48 sen (FY2020: 0.88 sen) based on the total number of issued shares of 434,850,699. As of 30 April 2021, the Group's net assets per share was RM0.76 (FY2020: RM0.67) while shareholders' funds stood at RM331.8 million (FY2020: RM293.5 million). The earnings per share and net assets per share are adjusted for the effects of the Proposed Bonus Issue which is explained under Corporate Development Section below.

The stellar profit performance is due to the resilience and experience of the Group in managing crisis as well as our committed employees who rose to the challenge to deliver the outstanding results. We also proactively managed our receivables to ensure that our collection is up to date. This is to ensure that we have sufficient cashflow to meet our obligations to our bankers as well as our suppliers. I am pleased to report that to date we have been able to meet both obligations as and when they fell due. We stand ready to safeguard our leadership position in the aluminium extrusion industry by ensuring that our balance sheet is strong enough to withstand any or all upheavals in economic cycles.

CORPORATE DEVELOPMENT

On 14 January 2021, Greentech Paramount Sdn. Bhd. ("GPSB") allotted 99 new ordinary shares representing 99% of the enlarged share capital of GPSB for a total cash consideration of RM99. The allotment of shares was to the Company (73 new ordinary shares) and MW Urban Development Sdn. Bhd.

(26 ordinary shares). The allotment of shares resulted in a dilution of the Company's shareholding in GPSB from 100% to 74%. The transaction has been completed during the financial year.

On 18 January 2021, GPSB subscribed for additional 7.44% of equity interest comprising 927,500 ordinary shares in Pembinaan Serta Hebat Sdn. Bhd. ("PSHSB") for a cash consideration of RM927,500. The transaction has been completed during the financial year. Accordingly, the issued and paid up ordinary share capital of PSHSB increased from RM4,005,000 to RM5,100,000. As a result of the subscription, GPSB's equity interest in PSHSB increased from 50.06% to 57.50%. However, the Group's effective interest in PHSB is diluted to 42.55%.

The Board is committed to rewarding its shareholders and has on 6 July 2021 announced a proposed bonus issue of up to 186,364,750 new ordinary shares ("Bonus Shares") on the basis of three(3) Bonus Shares for every four(4) existing ordinary shares held in the Company ("Proposed Bonus Issue"). The Proposed Bonus Issue was approved by the Company's shareholders at the Extraordinary General Meeting held on 12 August 2021. The Proposed Bonus Issue was completed on 30 August 2021 with the listing of the Bonus Shares on Bursa Securities Malaysia Berhad.

SUSTAINABILITY

We are constantly exploring the use of renewable energy to reduce production cost as well as to minimise the energy-related environmental damage caused by fossil fuels. At present, purchased electricity and fuels (diesel, natural gas and liquefied petroleum gas) are our main energy sources. The initiative to transition towards solar energy will reduce our dependency on fossil fuels and at the same time increase our commitment towards environmentally friendly renewable energy sources. During the financial year, we have commissioned a second solar photovoltaic rooftop project with capacity of 1.2 MWp. Together with our first solar photovoltaic project, we now have a total capacity of 2.2 MWp.

DIVIDEND

The Board of Directors is pleased to recommend a first and final single-tier dividend of 2.5 sen (2020: 1.0 sen) per ordinary share based on the total number of issued shares of 434,850,699 amounting to RM10,871,267 (2020: RM2,484,863) in respect of the financial year ended 30 April 2021, which is subject to the approval of the shareholders at the forthcoming annual general meeting.

As mentioned in the Circular to shareholders dated 28 July 2021 with regards to the Proposed Bonus Issue, the Bonus Shares are also entitled to the dividend recommended. Hence, the total issued share capital of 434,850,699 is the enlarged issued share capital of the Company, after incorporating the Bonus Shares. Your Board has considered the excellent results of the Group for the financial under review and is committed to reward its loyal shareholders for their continuous support with a fair return on their investment.

OUTLOOK

Looking ahead, I would like to proceed with a note of optimism. The World Bank and IMF are expecting the global economy to recover this year with the gradual reopening of major economies following successful vaccination programs. The Malaysian Vaccination Program's plan to accelerate vaccinations and the increased uptake among the Malaysian workforce and population will reduce the number of Covid-19 clusters and cases, bringing us closer to herd immunity. We have the NRP which provided us with a road map for the Malaysian economy to transition from the pandemic to reopening and growth. As we move on to future phases of the NRP, we are cautiously optimistic about our outlook for the Group. Although uncertainties abound over any resurgence of the Covid-19 pandemic, we believe that the Malaysian economy, given its resilience, will recover in the latter half of 2021.

Barring unforeseen circumstances, your Board is optimistic that the Group will be profitable in the forthcoming year.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt appreciation to all our employees for their hard work, commitment and loyalty especially during these difficult times. Our thanks are also extended to our shareholders, customers, suppliers, bankers, government agencies and others whose support are invaluable to the continued success of the Group. Finally, I would like to thank my fellow directors for their inputs and contributions throughout the financial year.

DATUK LEOW CHONG HOWA
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The objective of this Management Discussion and Analysis ("MD&A") is to enable shareholders, investors and other stakeholders to view and understand the Group's performance, financial condition, risk exposure, and future prospects through Management's point of view.

The MD&A is to complement the financial statements by providing material non-financial information that may not be reflected in the financial statements to facilitate better comprehension and a deeper understanding by the stakeholders.

GROUP STRUCTURE AND BUSINESS SEGMENTS

The Group structure as at 30 April 2021 is as follows:-

LB Aluminium Berhad

- **Aluminium Segment**
  - 100% LB Aluminium (Sarawak) Sdn Bhd
  - 100% LB Aluminium (Singapore) Pte Ltd
  - 100% ALBE Marketing Sdn Bhd
  - 100% ALBE Metal Sdn Bhd
  - 100% Facade Performance Lab Sdn Bhd
  - 60% SEMS Sdn Bhd
- **Property Segment**
  - 74% Greentech Paramount Sdn Bhd
    - 57.5% Pembinaan Serta Hebat Sdn Bhd
  - 51% Citajaya Kuasa Sdn Bhd
    - 80% Contras Build Sdn Bhd
  - 20% Vistarena Development Sdn Bhd

The Group has categorised its business operations into two segments, namely the Aluminium Segment and Property Segment.

GROUP STRUCTURE AND BUSINESS SEGMENTS (CONT'D)

Aluminium Segment

The Aluminium Segment represents the Group's core business which includes manufacturing, marketing and trading of aluminium and other metal products as well as ancillary businesses of property holding, providing performance tests for windows, doors and facades, providing metal stamping and other engineering works.

The detailed information of the Aluminium Segment is stated in the Corporate Profile of this Annual Report on pages 2 and 3.

Property Segment

The Company had in March 2018 received the approval of its shareholders to diversify its principal activities to include property development. The Company's maiden property development project is Platinum OUG Residence, a residential project developed by the 20% associate, Vistarena Development Sdn Bhd ("Vistarena"). The project is located at Kampung Muhibah, Kuala Lumpur with a gross development value of approximately RM468.0 million. In addition, the Company has two subsidiaries, namely Contras Build Sdn Bhd ("CBSB") and Pembinaan Serta Hebat Sdn Bhd ("PSH") which are involved in property development. As at todate, PSH is at the latter stage of planning for its residential project located at Jalan Tasik Selatan, Bandar Tasik Selatan, Kuala Lumpur. Meanwhile, CBSB has just received its land title in June 2021 in respect of its development land at Bandar Sri Permaisuri, Kuala Lumpur.

OVERVIEW OF BUSINESS AND OPERATIONS

Since the implementation of the Movement Control Order 1.0 ("MCO 1.0") by the Malaysian Government on 18 March 2020, the country is still in the throes of suppressing the spread of the Covid-19 pandemic. The Government had imposed MCO 2.0 on 11 January 2021 in 6 states including Selangor, Penang, Melaka, Johor, Sabah and Wilayah Persekutuan (Kuala Lumpur, Labuan and Putrajaya), after a spike in the number of Covid-19 cases in late 2020. Subsequently, a nationwide MCO 3.0 was enforced from 12 May 2021 followed by a nationwide total lockdown from 1 June 2021 before entering into the National Recovery Plan ("NRP") from 15 June 2021. The recovery of the local economy had suffered as businesses were affected by the stoppage of business for non-essential products and services, prohibition of interstate travelling, reduced workforce capacity, and other restrictions imposed during the abovementioned lockdowns.

Despite significant business disruptions as a result of the lockdowns imposed, the Group successfully surmounted the challenges and uncertainties to report a historical high profit before taxation ("PBT") of RM49.0 million for the current financial year 2021 as the Aluminium Segment and Property Segment recorded PBT of RM39.2 million and RM9.8 million, respectively.

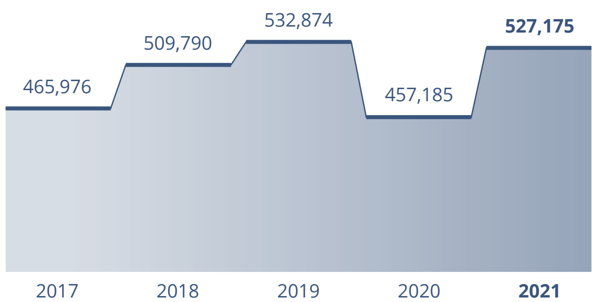
REVIEW OF GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS

The following table is the financial highlights of the Group for the past five (5) financial years:-

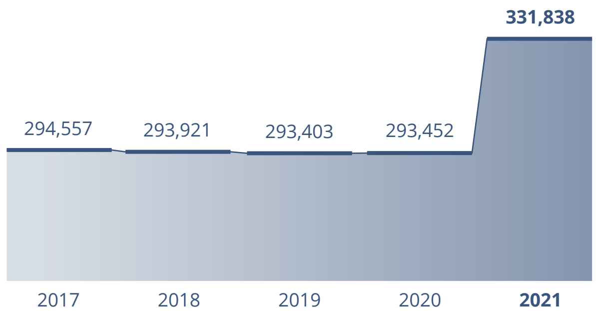
		Financial Year Ended 30 April ("FY")				
		2021	**2020**	**2019**	**2018**	**2017**
Revenue	RM'000	**527,175**	457,185	532,874	509,790	465,976
EBITDA	RM'000	**70,015**	27,173	33,911	30,455	47,466
Profit Before Taxation	RM'000	**49,017**	6,690	15,473	7,634	25,494
Profit After Taxation	RM'000	**40,561**	2,518	12,158	6,097	17,953
PATAMI	RM'000	**41,209**	3,844	12,169	6,097	17,953
Total Assets	RM'000	**667,840**	584,739	509,880	503,258	488,381
Total Liabilities	RM'000	**335,321**	290,555	215,975	209,337	193,824
Total Shareholders' Equity	RM'000	**331,838**	293,452	293,403	293,921	294,557
Net Gearing Ratio	Times	**0.38**	0.41	0.35	0.30	0.18
Earnings Per Share	Sen	**9.48**	0.88*	2.80*	1.40*	4.13*
Net Asset Per Share	RM	**0.76**	0.67*	0.67*	0.67*	0.68*

* *The comparative figures are restated assuming the Bonus Issue completed on 30 August 2021 has taken place as at earliest date presented.*

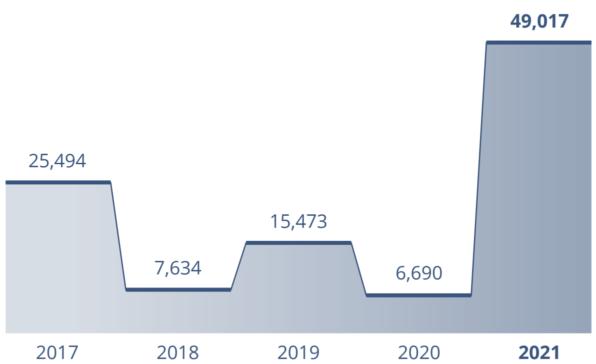
REVENUE (RM'000)



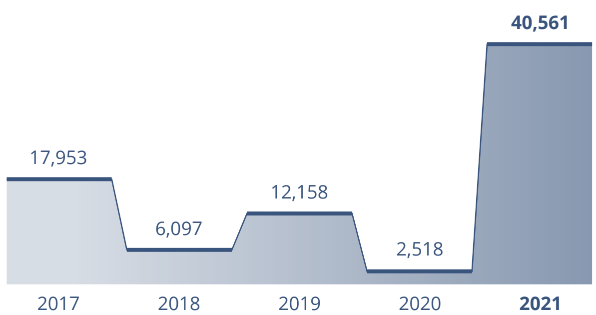
TOTAL SHAREHOLDERS' EQUITY (RM'000)



PROFIT BEFORE TAXATION (RM'000)



PROFIT AFTER TAXATION (RM'000)



REVIEW OF GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONT'D)

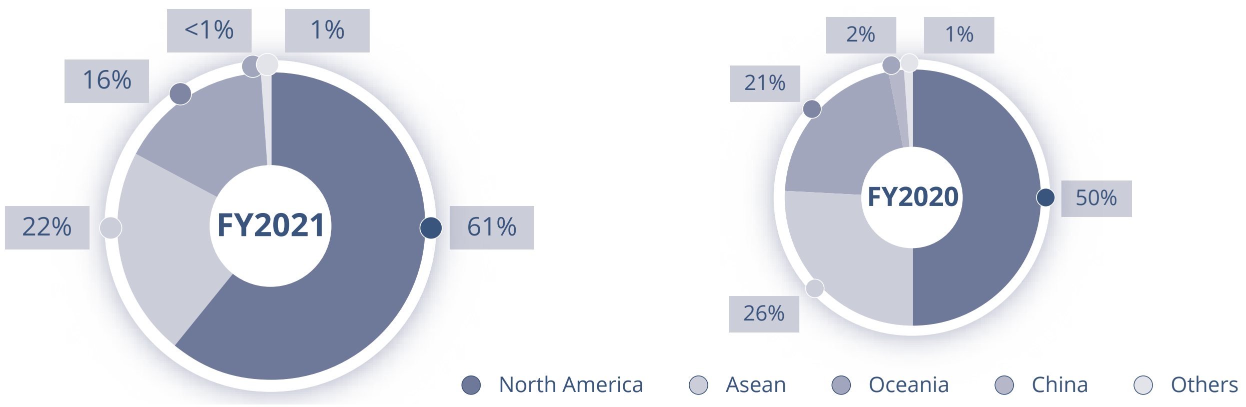
The following table is the breakdown of the Group's performance for FY2021 and FY2020 by business segments:-

	FY2021			FY2020		
	Aluminium RM'000	**Property RM'000**	**Group RM'000**	**Aluminium RM'000**	**Property RM'000**	**Group RM'000**
Revenue	**527,175**	**–**	**527,175**	457,185	–	457,185
Profit Before Taxation	**39,254**	**9,763**	**49,017**	4,020	2,670	6,690
Profit/(Loss) After Taxation	**30,798**	**9,763**	**40,561**	(152)	2,670	2,518
Total Assets	**553,751**	**114,089**	**667,840**	478,889	105,850	584,739
Total Liabilities	**253,300**	**82,021**	**335,321**	235,799	54,756	290,555

(a) Revenue

The Group's revenue increased by RM70.0 million or 15% to RM527.2 million in the current financial year, contributed mainly by the increase in sales volume. The revenue for the last financial year was affected by the MCO 1.0 as the Group's operations had been halted for nearly one and a half months from 18 March 2020 to 30 April 2020. The Group's export markets had contributed approximately 35% to total revenue compared to 38% for the previous year. North America remained the main contributor to the Group's export markets, followed by Asean countries and the Oceania region.

GROUP'S EXPORT REVENUE



The Aluminium Segment was the sole contributor to the Group's revenue for FY2021 as the Property Segment was still in its project planning stages during the financial year.

(b) Profit before taxation ("PBT")

The Group's profit before taxation increased by RM42.3 million or 633% to RM49.0 million in the current financial year due mainly to higher contribution from the Aluminium Segment.

Aluminium Segment

The Aluminium Segment's PBT for the current financial year increased by RM35.3 million or 876% to RM39.3 million due mainly to higher sales volume and better profit margins. In the previous financial year, the PBT was impacted by the loss of revenue during the stoppage of operation in March and April 2020 during MCO 1.0 coupled with impairment loss on trade receivables of RM4.7 million and inventories written down of RM6.2 million.

Meanwhile, the Aluminium Segment recorded lower finance costs in the current financial year at RM5.2 million (FY2020: RM6.5 million).

REVIEW OF GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONT'D)

(b) Profit before taxation ("PBT") (cont'd)

Property Segment

The Property Segment's PBT increased by RM7.1 million or 266% to RM9.8 million due mainly to higher contribution from the Group's associate, Vistarena, which contributed a profit of RM11.0 million for FY2021 compared to RM5.1 million of the preceding year. Vistarena's existing residential project has achieved overall sales of 99.8% and development progress of approximately 76.3% as at 30 April 2021. The property subsidiaries had not commenced operations during the financial year and had incurred preliminary expenses which reduced the overall results of the Property Segment accordingly.

(c) Taxation

The Group's effective tax rate for the financial year under review was lower than the statutory tax rate due mainly to the investment tax allowance claimed on the new 1.2 MWp solar photovoltaic rooftop project installed at the Beranang's factory during the financial year.

(d) Profit after taxation

The Group's profit after taxation increased by RM38.1 million or 1,511% to RM40.6 million in the current financial year in line with the aforementioned higher PBT coupled with lower effective tax rate.

(e) Financial position

Total Assets

The Group's total assets increased by RM83.1 million or 14% to RM667.8 million attributed mainly to the increase in inventories and trade receivables of the Aluminium Segment. The inventories of the Aluminium Segment increased by RM16.0 million or 16% to RM115.0 million (FY2020: RM99.0 million) due mainly to the increase in aluminium prices whereas trade receivables increased by RM26.9 million or 31% to RM115.1 million (FY2020: RM88.2 million) due mainly to the increase in sales volume together with higher selling prices. Meanwhile, the inventories of the Property Segment (property development costs) increased by RM16.8 million or 31% to RM71.7 million (FY2020: RM54.9 million) during the financial year.

The investment property of the Group, the freehold land and factory buildings located at Subang Jaya, had been reclassified as asset classified as held for sale during the financial year as the Group had entered into a sale and purchase agreement on 17 May 2021 to dispose of the property. The disposal is expected to be completed in the second quarter of the financial year 2022.

The Group's cash position, including short-term fund, fixed deposits, and cash and bank balances, was RM64.3 million (FY2020: RM48.3 million) as at 30 April 2021.

Total Liabilities

The Group's total liabilities increased by RM44.7 million or 15% to RM335.3 million as a result of the increase in liabilities of the Property Segment. The liabilities of the Property Segment increased by RM27.2 million to RM82.0 million (FY2020: RM54.8 million) following the increase in advances from minority shareholders of the property subsidiaries of RM16.5 million as well as the increase in borrowings of RM4.6 million.

REVIEW OF GROUP'S FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONT'D)

(e) Financial position (cont'd)

Gearing

The Group kept its gearing ratio at a healthy and manageable level of 0.38 times as at 30 April 2021 (FY2020: 0.41 times). The Group's capital management strategy is to focus on maintaining a low and healthy gearing ratio while creating and maximising shareholders' value. By having a healthy gearing ratio, the Group will place itself in a better position to capture new business opportunities and withstand any economic adversities.

CAPITAL EXPENDITURE ("CAPEX")

The Group's estimated total CAPEX for the financial year ending 30 April 2022 ("FY2022") is RM15.3 million, of which its breakdown is shown below:

Asset Group	Main Usage	Amount	
		(RM'000)	(RM'000)
Plant and machinery	General upgrading works	8,530	
	Solar power system	1,480	
			10,010
Office equipment	Upgrade of ERP system and IT hardware		4,930
Other			350
Total CAPEX for FY2022			**15,290**

The Group is planning to upgrade its Enterprise Resource Planning ("ERP") system as well as considering adding another solar photovoltaic rooftop project.

ANTICIPATED BUSINESS RISKS

The Group is exposed to several business risks such as market competition, fluctuations of aluminium prices, volatility in currency exchange rates, political and economic instability, execution risk for property development projects, and weak sentiments for the property market.

(a) Market competition

Today, aluminium is used in many industries including transport, construction, consumer goods, packaging, and electrical engineering due to its lightweight, an excellent conductor of electricity, and durability in nature.

In dealing with market competition, the Group has adopted a proactive approach by continuously improving efficiencies and upgrading its facilities to ensure on time delivery of quality products and provision of the expected services to our ever-discerning customers.

(b) Fluctuations of aluminium price

The Group's main raw material is aluminium billet. As aluminium is a global resource, the prices for aluminium billets are susceptible to factors like disruption in the supply chain, changes in economic conditions, geopolitical tensions, and fluctuation of foreign exchange rates. When the price of the aluminium billets fluctuates, the Group's profit margin will be affected.

ANTICIPATED BUSINESS RISKS (CONT'D)

(b) Fluctuations of aluminium price (cont'd)

The Group is constantly monitoring the price movement of aluminium and will adjust the selling prices accordingly. The Group is also actively managing the costs of production and improving efficiency and recovery to maintain our margins and competitive edge. For large orders with long delivery period, we will hedge forward the aluminium prices to lock in our margins.

(c) Volatility in currency exchange rates

The Group is subject to foreign currency risk as our imports of aluminium and most of the exports are denominated in USD. When the MYR fluctuates against the USD, the price of the imported aluminium and revenue generated from export sales will fluctuate, and profit margins will be impacted accordingly. Under normal circumstances, exports sales denominated in USD will provide a natural hedge against any impact of volatility in currency exchange rates on the imported aluminium prices and vice versa. In the event the MYR is weakening against the USD, and price of imported aluminium goes up, the Group will also adjust its selling prices to mitigate any impact.

To minimise the foreign currency risk impact, the Group also practices foreign currency hedging of significant payment for raw material in USD as and when we see fit.

(d) Political and economic instability

The Group operates mainly in Malaysia with approximately 65% of its revenue derived from domestic sales for the current financial year. The performance of the Group is significantly dependent upon the stability of the local political climate and the solidity of the Malaysian economy.

The Group is following closely on the development of the local political and economic conditions to detect any potential downside risk and to take preventive measures to mitigate the impact of such risks.

(e) Execution risk for property development projects

The Group's property development business comprises its investments in associate and non-wholly owned subsidiaries. The delay in completing any property development project will result in liquidated ascertained damages payable to the house buyers, which will adversely affect the Group's profits and cash flows.

The Group is working closely with its business partners to execute the operation and management of the property development as well as to ensure all the development progress is up to date. Our business partners are reputable entities with a proven track record in the property development industry for many years. Notwithstanding, the Group will closely monitor every development of each project undertaken to ensure its performance and sustainability as it progresses.

(f) Weak sentiments for the property market

The resurgence of the Covid-19 cases since October 2020 has dampened the property market recovery in Malaysia. Prolonged weak property demand in the country will increase the liquidity risk of the Group as the payback of the investments will be delayed.

The Group will work closely with its business partners to study the viability of the future projects, including the type of properties, pricing, and the timing of the new launching. As the Group's land banks earmarked for property development are located at strategic locations, the Group is optimistic that with the correct strategies and proper planning, the future launches should achieve a satisfactory take-up rate.

OUTLOOK

In August 2021, Bank Negara Malaysia had reduced Malaysian's projected GDP growth for the current year 2021 from 6.0%-7.5% to 3.0%-4.0%. The revision was due mainly to the delay of the economic recovery resulting from the implementation of stricter containment measures in recent months amid the resurgence of the Covid-19 cases. Nonetheless, the current vaccination rate per capita in Malaysia which is amongst the fastest globally has been a silver lining in the gloomy economic scenario so far. We expect the Malaysian economy to recover in the third quarter of 2021 as more people are fully vaccinated and the Government gradually move on to later phases of the NRP.

Aluminium Segment

The Group's Aluminium Segment had performed well for the financial year under review on the back of the recovery of the global economy and the resilience of the domestic industries. As at the date of this report, we are operating at 100% of the workforce as more than 80% of our workers are fully vaccinated. Moving forward, we will focus on delivering the existing order to our customers, and at the same time to continue replenishing our order book. We expect the sales order to gradually increase in the remainder of the financial year in tandem with the economic recovery as well as the progress of the national vaccination program.

Meanwhile, we strive to curb the spread of the Covid-19 pandemic in the factories and community with several measures, including providing personal protection equipment to all our employees, conducting regular briefing and update on standard operating procedures, and sanitising of workplace on a daily basis. We also encouraged and facilitated all our employees to be vaccinated and as a testament, we expect more than 95% of our employees to be fully vaccinated by October 2021.

We continue to focus on reducing operational costs and improving production efficiency. We also monitor our financial position closely to ensure we meet our obligations with our suppliers and bankers. In addition, we keep in close touch with our customers frequently to ensure that they settle the outstanding debts due to us.

Property Segment

The domestic property market is expected to rebound in 2022 when the market sentiment improved following the recovery of economic activities as we move on to later phases of the NRP. In the meantime, the Malaysian government and Bank Negara Malaysia are expected to continue the existing measures to lift the property market, including the Home Ownership Campaign and the low OPR.

We anticipate that our associate, Vistarena will continue to contribute positively to the Group as the project is sold out. As mentioned above, our subsidiary, PSH, is at the latter stage of planning for its residential project located at Jalan Tasik Selatan, Bandar Tasik Selatan, Kuala Lumpur.

Overall

Given the resilience of the Malaysian economy, the progress of the national vaccination program as well as the global economic recovery, Management is cautiously optimistic, barring unforeseen circumstances, that the prospects of LB Aluminium Berhad for the forthcoming year is bright and the Group will remain profitable.

BRANCH NETWORK

BRANCHES IN MALAYSIA

Head Office

Lot 11, Jalan Perusahaan 1
Kawasan Perusahaan Beranang
43700 Beranang, Semenyih
Selangor Darul Ehsan
Tel : 03-8725 8822 (General)
03-8725 8833 (Sales)
Fax : 03-8725 8828 (General)
03-8725 8826 (Sales)
03-8725 8886 (Sales)
03-8725 8866 (Export)
Email : enquiry@lbalum.com.my
Website : www.lbalum.com

Johor Bahru

14 & 18, Lot PLO 206
Jalan Angkasa Mas 5
Kawasan Perindustrian Tebrau II
81100 Johor Bahru
Johor Darul Takzim
Tel : 07-355 0546
Fax : 07-355 0549

Penang

Lot 241 (PT 1075)
Tingkat Perusahaan 6
Kawasan Perusahaan Perai
13600 Perai
Pulau Pinang
Tel : 04-397 6998
04-397 6995
Fax : 04-397 6997

Kuantan

No. 4, Jalan IM 3/6
Kawasan Perindustrian Bandar Indera Mahkota
25200 Kuantan
Pahang Darul Makmur
Tel : 09-573 6666
Fax : 09-573 3322

Kota Kinabalu

Lot 7, Lorong Mangga-3 SEDCO Industrial Estate
5½ Miles (Off Jalan Kolombong)
88450 Kota Kinabalu, Sabah
Tel : 088-436 421
088-436 422
Fax : 088-436 423

Klang Valley

Block 3-1-17, Jalan Nagasari A 36/A
Pusat Dagangan Latania
Desa Latania, Seksyen 36
40470 Shah Alam
Selangor Darul Ehsan
Tel : 03-5166 2239
03-5166 5078
03-5166 5079
Fax : 03-5166 3829

Melaka

Lot 90, Jalan IKS MJ 4
Taman Malim Jaya
75250 Melaka
Tel : 06-337 3389
Fax : 06-337 2389

OPERATING SUBSIDIARIES IN MALAYSIA

ALBE MARKETING SDN BHD
[199701031224 (446723-K)]

53 & 55, Jalan PBS 14/10
Taman Perindustrian Bukit Serdang
43300 Seri Kembangan
Selangor Darul Ehsan
Tel : 03-8945 4919
03-8945 4920
03-8945 4921
Fax : 03-8945 4916
Email : albemarketing@lbalum.com.my

ALBE METAL SDN BHD
[200101026250 (562008-A)]

Lot 9A, Jalan Fimas
Off Jalan Simpang Balak
Kawasan Perindustrian Fimas
43000 Kajang
Selangor Darul Ehsan
Tel : 03-8736 3988
: 03-8733 8188
: 03-8733 8288
Fax : 03-8741 8993

LB ALUMINIUM (SARAWAK) SDN BHD
[200801009978 (811266-T)]

Lot 846 & 847, Block 7, MTLD
Sejingkat Industrial Park
93050 Kuching
Sarawak
Tel : 082-439 633
Fax : 082-432 893

FACADE PERFORMANCE LAB SDN BHD
[201801033311 (1295338-T)]

Lot 11, Jalan Perusahaan 1
Kawasan Perusahaan Beranang
43700 Beranang, Semenyih
Selangor Darul Ehsan
Tel : 03-8725 8933
Email : enquiry@fplab.com.my

OVERSEAS SUBSIDIARY

LB ALUMINIUM (SINGAPORE) PTE LTD
(200009299G)

No.11 Kaki Bukit Road 1
#03-07 Eunos Technolink
Singapore 415939
Tel : +65-6345 9131
+65-6745 5693
Fax : +65-6745 5627

DISTRIBUTORS / DEALERS IN MALAYSIA

- Kangar
- Alor Setar
- Butterworth
- Ipoh
- Kuala Lumpur
- Shah Alam
- Seremban
- Melaka
- Johor Bahru
- Kuantan
- Kuala Terengganu
- Kota Bharu
- Kota Kinabalu
- Kuching

FINANCIAL STATEMENTS

CONTENTS


The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of manufacturing, marketing and trading of aluminium extrusions and other metal products. The principal activities and details of the subsidiaries and an associate are disclosed in Notes 10 and 11 to the financial statements respectively. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	**40,561**	**20,443**
Attributable to:		
Owners of the parent	**41,209**	**20,443**
Non-controlling interests	**(648)**	**–**
	40,561	**20,443**

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 30 April 2020:	
First and final single tier dividend of 1.00 sen per ordinary share, was paid on 16 October 2020	2,485

At the forthcoming Annual General Meeting, a first and final single tier dividend of 2.50 sen per ordinary share amounting to RM10,871,267 in respect of the current financial year will be proposed for shareholders' approval based on the enlarged share capital of 434,850,699 shares after three-for-four bonus issue which was completed on 30 August 2021. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS OF LB ALUMINIUM BERHAD

The Directors who have held office during the financial year and up to the date of this report are as follows:

Datuk Leow Chong Howa
Mark Wing Kong
Yap Chee Woon
Leow Sok Hoon
Neoh Lay Keong
Dato' Dr. Mohd Husni Bin Ahmad
Toh Khiam Huat
Chew Kat Nyap
Teh Kok Heng
Leow Vinzie (Alternate Director to Datuk Leow Chong Howa) (Appointed on 29 June 2021)
Leow Vinken (Alternate Director to Datuk Leow Chong Howa) (Resigned on 29 June 2021)

DIRECTORS OF SUBSIDIARIES OF LB ALUMINIUM BERHAD

Pursuant to Section 253(2) of the Companies Act 2016, the Directors of the subsidiaries of LB Aluminium Berhad during the financial year and up to the date of this report are as follows:

Datuk Leow Chong Howa
Mark Wing Kong
Yap Chee Woon
Leow Vinken
Leow Vinzie
Chia King Ling
Khik Lap Fun
Ng Yong Huat
Tan Chung Tee
Tan Wei Kiat
Yap Chee Keong
Yap Chee Sen
Tan Sri Datuk Seri Gan Yu Chai
Gan Kah Siong
Gan Yee Hin (Alternate Director to Tan Sri Datuk Seri Gan Yu Chai)
Chin Pooi Wai
Lim Soo Wai
Shaik Ahmad Sufian B.Shaik Kamal Farid

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 30 April 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	<------------------ Number of ordinary shares ------------------>			
	Balance as at 1.5.2020	**Bought**	**Sold**	**Balance as at 30.4.2021**
Shares in the Company				
Direct interests				
Datuk Leow Chong Howa	74,973,406	–	–	**74,973,406**
Mark Wing Kong	3,643,500	–	–	**3,643,500**
Yap Chee Woon	844,300	–	–	**844,300**
Leow Sok Hoon	18,368,504	–	–	**18,368,504**

By virtue of Datuk Leow Chong Howa's substantial interest in the shares of the Company, he is deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

The other Directors holding office at the end of the financial year did not hold any beneficial interest in the ordinary shares of the Company or ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the followings:

(i) remuneration received or due and receivable by certain Directors from the related corporations in their capacity as Directors or executives of the related corporation; and

(ii) deemed benefits arising from related party transactions as disclosed in Note 34 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 34(c) to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company are RM10,000,000 and RM20,000 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 April 2021 are disclosed in Note 29 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Datuk Leow Chong Howa
Director

Mark Wing Kong
Director

Kuala Lumpur
14 September 2021

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 80 to 182 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Datuk Leow Chong Howa
Director

Mark Wing Kong
Director

Kuala Lumpur
14 September 2021

STATUTORY DECLARATION

I, Wong Say Young (CA 29905), being the officer primarily responsible for the financial management of LB Aluminium Berhad, do solemnly and sincerely declare that the financial statements set out on pages 80 to 182 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
14 September 2021)

Before me:

Wong Say Young

Baloo T. Pichai
No. W663
Commissioner for Oath

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LB Aluminium Berhad, which comprise the statements of financial position as at 30 April 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 80 to 182.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group and of the Company

(a) Carrying amount of inventories at lower of cost and net realisable value

As at 30 April 2021, the carrying amount of inventories of the Group and of the Company, which were generally aluminium products, were RM114,999,000 and RM101,996,000 respectively. Details of the inventories, as disclosed in Note 15 to the financial statements.

We have focused on the audit risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value. Writing down of inventories to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are subject to price volatility of aluminium, incorporating the impact of the COVID-19 pandemic, and if not accounted for properly, may lead to the valuation of inventories being misstated.

Key Audit Matters (cont'd)

Key Audit Matters of the Group and of the Company (cont'd)

(a) Carrying amount of inventories at lower of cost and net realisable value (cont'd)

Audit response

Our audit procedures included the following:

(i) compared the net realisable values determined by management against the movements of world aluminium prices, incorporating the impact of the COVID-19 pandemic;

(ii) analysed inventories turnover period by comparing that to the assessment of management on the identification of slow moving inventories; and

(iii) tested inventories for sales subsequent to the year end to supporting documentation and assessed that the carrying amount of inventories is at the lower of cost and net realisable value.

(b) Recoverability of trade receivables

As at 30 April 2021, gross third parties trade receivables of the Group and the Company were RM121,945,000 and RM103,319,000 respectively, as disclosed in Note 16 to the financial statements.

We have focused on the audit risk that carrying amount of trade receivables may not be recovered. Assessment on recoverability of trade receivables requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information, incorporating the impact of the COVID-19 pandemic.

Audit response

Our audit procedures included the following:

(i) assessed the adequacy of credit impaired for significant outstanding balances exceeding the credit term granted or are otherwise old;

(ii) recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group and the Company, incorporating the impact of the COVID-19 pandemic;

(iii) recomputed the correlation coefficient between the macroeconomic indicators, used by the Group and the Company, and historical credit losses to determine the appropriateness of the forward-looking information used by the Group and the Company; and

(iv) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Key Audit Matters (cont'd)

Key Audit Matters of the Group and of the Company (cont'd)

(c) Impairment assessment of amounts owing by subsidiaries

As at 30 April 2021, gross amounts owing by subsidiaries of the Company were RM62,929,000 as disclosed in Note 16 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by subsidiaries, appropriate forward looking information and significant increase in credit risk, incorporating the impact of the COVID-19 pandemic.

Audit response

Our audit procedures included the following:

(i) Recomputed the probability of default using historical data and forward-looking information adjustment, incorporating the impact of the COVID-19 pandemic applied by the Company;

(ii) Assessed the appropriateness of the indicators of significant increase in credit risk applied by management and the resultant basis for classification of balances into respective stages; and

(iii) Assessed management's basis in determining cash flows recoverable in worst-case scenarios, where applicable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 10 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Ng Soe Kei
02982/08/2023 J
Chartered Accountant

Kuala Lumpur
14 September 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**188,507**	193,193	**158,900**	163,763
Right-of-use assets	8	**10,684**	11,875	**8,966**	9,696
Investment property	9	**–**	24,793	**–**	–
Investments in subsidiaries	10	**–**	–	**16,314**	16,314
Investment in an associate	11	**24,539**	13,559	**6,000**	6,000
Other investment	12	**1,596**	851	**1,596**	851
Goodwill on consolidation	13	**2,490**	2,490	**–**	–
Amounts owing by subsidiaries	16	**–**	–	**60,556**	51,475
Deferred tax assets	14	**15**	–	**–**	–
		227,831	246,761	**252,332**	248,099
Current assets					
Inventories	15	**186,681**	153,910	**101,996**	86,442
Trade and other receivables	16	**164,102**	134,775	**103,865**	95,345
Current tax assets		**293**	955	**–**	811
Short term fund	17	**27,791**	13,327	**27,791**	13,327
Cash and bank balances	18	**36,470**	35,011	**30,648**	20,918
		415,337	337,978	**264,300**	216,843
Asset classified as held for sale	19	**24,672**	–	**–**	–
		440,009	337,978	**264,300**	216,843
TOTAL ASSETS		**667,840**	584,739	**516,632**	464,942
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	**125,771**	125,771	**125,771**	125,771
Reserves	21	**206,067**	167,681	**150,910**	132,952
		331,838	293,452	**276,681**	258,723
Non-controlling interests	10(c)	**681**	732	**–**	–
TOTAL EQUITY		**332,519**	294,184	**276,681**	258,723

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
LIABILITIES					
Non-current liabilities					
Amount owing to a corporate shareholder of a subsidiary	24	**9,271**	–	**–**	–
Borrowings	22	**39,180**	35,000	**5,920**	–
Deferred tax liabilities	14	**20,013**	20,522	**18,953**	19,328
Lease liabilities	8	**2,275**	3,040	**2,471**	3,298
		70,739	58,562	**27,344**	22,626
Current liabilities					
Trade and other payables	24	**109,293**	97,759	**67,706**	52,990
Borrowings	22	**149,505**	131,915	**139,540**	128,495
Lease liabilities	8	**1,495**	1,498	**2,197**	2,108
Derivative financial liabilities	25	**31**	–	**31**	–
Current tax liabilities		**4,258**	821	**3,133**	–
		264,582	231,993	**212,607**	183,593
TOTAL LIABILITIES		**335,321**	290,555	**239,951**	206,219
TOTAL EQUITY AND LIABILITIES		**667,840**	584,739	**516,632**	464,942

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	26	**527,175**	457,185	**473,816**	414,451
Cost of sales		**(436,241)**	(400,937)	**(402,550)**	(370,411)
Gross profit		**90,934**	56,248	**71,266**	44,040
Other operating income	27	**9,660**	3,815	**11,520**	9,015
Marketing and distribution expenses		**(30,105)**	(25,290)	**(25,481)**	(20,121)
Administrative expenses		**(24,320)**	(19,529)	**(19,216)**	(15,682)
Other operating expenses		**(2,863)**	(6,999)	**(3,903)**	(5,873)
Finance costs	28	**(5,269)**	(6,662)	**(7,669)**	(7,756)
Share of results of an associate	11	**10,980**	5,107	**–**	–
Profit before tax	29	**49,017**	6,690	**26,517**	3,623
Tax expense	30	**(8,456)**	(4,172)	**(6,074)**	(3,199)
Profit for the financial year		**40,561**	2,518	**20,443**	424
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translations		**92**	25	**–**	–
Total comprehensive income for the financial year		**40,653**	2,543	**20,443**	424

		Group		Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Profit/(Loss) attributable to:					
Owners of the parent		**41,209**	3,844	**20,443**	424
Non-controlling interests	10(c)	**(648)**	(1,326)	**–**	–
		40,561	2,518	**20,443**	424
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**41,301**	3,869	**20,443**	424
Non-controlling interests	10(c)	**(648)**	(1,326)	**–**	–
		40,653	2,543	**20,443**	424
Earnings per ordinary share attributable to owners of the parent (sen):					
– Basic and diluted	31	**9.48**	0.88		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 May 2019		125,771	4,397	163,142	293,310	502	293,812
Profit/(Loss) for the financial year		–	–	3,844	3,844	(1,326)	2,518
Other comprehensive income, net of tax		–	25	–	25	–	25
Total comprehensive income/(loss)		–	25	3,844	3,869	(1,326)	2,543
Transactions with owners							
Dividend paid	32	–	–	(3,727)	(3,727)	–	(3,727)
Acquisition of subsidiaries	40	–	–	–	–	1,556	1,556
Total transactions with owners		–	–	(3,727)	(3,727)	1,556	(2,171)
Balance as at 30 April 2020		125,771	4,422	163,259	293,452	732	294,184
Balance as at 1 May 2020		**125,771**	**4,422**	**163,259**	**293,452**	**732**	**294,184**
Profit/(Loss) for the financial year		**–**	**–**	**41,209**	**41,209**	**(648)**	**40,561**
Other comprehensive income, net of tax		**–**	**92**	**–**	**92**	**–**	**92**
Total comprehensive income/(loss)		**–**	**92**	**41,209**	**41,301**	**(648)**	**40,653**
Transactions with owners							
Dilution of interest in a subsidiary	10(a)	**–**	**–**	**4**	**4**	**(4)**	**–**
Dividend paid	32	**–**	**–**	**(2,485)**	**(2,485)**	**–**	**(2,485)**
Subscription of interest in a subsidiary by non-controlling interest	10(a)	**–**	**–**	**(434)**	**(434)**	**601**	**167**
Total transactions with owners		**–**	**–**	**(2,915)**	**(2,915)**	**597**	**(2,318)**
Balance as at 30 April 2021		**125,771**	**4,514**	**201,553**	**331,838**	**681**	**332,519**

Company	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 May 2019		125,771	136,255	262,026
Profit for the financial year		–	424	424
Other comprehensive income, net of tax		–	–	–
Total comprehensive income		–	424	424
Transaction with owners				
Dividend paid	32	–	(3,727)	(3,727)
Total transaction with owners		–	(3,727)	(3,727)
Balance as at 30 April 2020		125,771	132,952	258,723
Balance as at 1 May 2020		**125,771**	**132,952**	**258,723**
Profit for the financial year		**–**	**20,443**	**20,443**
Other comprehensive income, net of tax		**–**	**–**	**–**
Total comprehensive income		**–**	**20,443**	**20,443**
Transaction with owners				
Dividend paid	32	**–**	**(2,485)**	**(2,485)**
Total transaction with owners		**–**	**(2,485)**	**(2,485)**
Balance as at 30 April 2021		**125,771**	**150,910**	**276,681**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**49,017**	6,690	**26,517**	3,623
Adjustments for:					
Depreciation of:					
– property, plant and equipment	7	**12,556**	12,347	**11,517**	11,304
– right-of-use assets	8	**3,052**	1,353	**2,030**	1,978
– investment property	9	**121**	121	**–**	–
Dividend income from:					
– other investment	27	**(42)**	(53)	**(42)**	(53)
– subsidiaries	27	**–**	–	**(1,060)**	(4,208)
Fair value loss/(gain) on:					
– derivative instruments	29	**31**	–	**31**	–
– other investment	29	**(745)**	252	**(745)**	252
Impairment losses on:					
– trade receivables	16(e)	**1,410**	5,348	**915**	3,968
– other receivables	16(f)	**1**	12	**1,571**	289
Inventories written down	15(e)	**19**	6,180	**–**	5,311
Interest income:					
– deposits with licensed banks	27	**(785)**	(918)	**(733)**	(632)
– amounts owing by subsidiaries	27	**–**	–	**(2,820)**	(1,985)
Interest expense	28	**5,269**	6,662	**7,669**	7,756
Loss on reassessments and modification of leases		**37**	–	**4**	–
Net loss/(gain) on disposals of property, plant and equipment		**10**	(25)	**(338)**	(25)
Net unrealised loss/(gain) on foreign exchange	29	**268**	(74)	**256**	(68)
Reversal of impairment losses on:					
– trade receivables	16(e)	**(4,218)**	(82)	**(3,008)**	(51)
– other receivables	16(f)	**(30)**	(131)	**(289)**	(448)
Share of profit of an associate	11	**(10,980)**	(5,107)	**–**	–
Written off of:					
– inventories	15(d)	**99**	75	**94**	75
– other receivables	29	**189**	112	**189**	112
– property, plant and equipment	7	**322**	57	**299**	51
Operating profit before changes in working capital carried forward		**55,601**	32,819	**42,057**	27,249

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Operating profit before changes in working capital brought forward		**55,601**	32,819	**42,057**	27,249
Changes in working capital:					
Inventories		**(32,888)**	(52,557)	**(15,649)**	246
Trade and other receivables		**(26,795)**	3,641	**(21,311)**	15,673
Trade and other payables		**20,053**	(9,412)	**13,533**	9,132
Amounts owing by subsidiaries		**–**	–	**389**	1,702
Cash generated from/(used in) operations		**15,971**	(25,509)	**19,019**	54,002
Tax paid		**(4,885)**	(3,519)	**(2,504)**	(2,500)
Tax refunded		**1**	2,277	**–**	2,177
Net cash from/(used in) operating activities		**11,087**	(26,751)	**16,515**	53,679
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired	40	**–**	40,697	**–**	–
Acquisition of subsidiaries	10	**–**	–	**–**	(2,200)
Advances from/(to) subsidiaries		**–**	–	**3,656**	(17,771)
Dividends received		**42**	53	**42**	53
Interest received		**785**	918	**733**	632
Net change in short term fund	17	**(14,464)**	933	**(14,464)**	933
Proceeds from disposals of property, plant and equipment		**68**	25	**693**	25
Purchase of property, plant and equipment	7	**(8,255)**	(17,744)	**(7,308)**	(16,580)
Subscription of interest in a subsidiary by non-controlling interest		**167**	–	**–**	–
Net cash (used in)/from investing activities		**(21,657)**	24,882	**(16,648)**	(34,908)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(5,050)**	(6,435)	**(4,014)**	(6,137)
Dividend paid	32	**(2,485)**	(3,727)	**(2,485)**	(3,727)
Dividend income from subsidiaries		**–**	–	**1,060**	4,208
Payments for lease liabilities	8	**(2,885)**	(1,503)	**(2,318)**	(2,315)
Drawdown of term loan		**7,400**	35,000	**7,400**	–
Repayment of term loan		**–**	(5,000)	**–**	(5,000)
Net (repayment)/drawdown of revolving credits		**(4,000)**	16,000	**(4,000)**	16,000
Net drawdown/(repayments) of bankers' acceptances		**13,765**	(14,275)	**13,565**	(14,175)
Net cash from/(used in) financing activities		**6,745**	20,060	**9,208**	(11,146)
Net (decrease)/increase in cash and cash equivalents		**(3,825)**	18,191	**9,075**	7,625
Effects of exchange rate changes on cash and cash equivalents		**679**	(207)	**655**	(217)
Cash and cash equivalents at beginning of the financial year		**35,011**	17,027	**20,918**	13,510
Cash and cash equivalents at end of the financial year	18	**31,865**	35,011	**30,648**	20,918

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings (excluded bank overdrafts)					
At 1 May		**166,915**	135,190	**128,495**	131,670
Cash flows		**17,165**	31,725	**16,965**	(3,175)
At 30 April		**184,080**	166,915	**145,460**	128,495
Lease liabilities					
At 1 May		**4,538**	2,930	**5,406**	4,288
Cash flows:					
Payments of lease liabilities		**(2,885)**	(1,503)	**(2,318)**	(2,315)
Non-cash flows:					
Acquisition of a subsidiary	40	**–**	181	**–**	–
Reassessments and modification		**1,642**	–	**1,048**	–
Unwinding of interest		**219**	227	**276**	268
Additions of lease liabilities		**256**	2,703	**256**	3,165
At 30 April	8	**3,770**	4,538	**4,668**	5,406

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

LB Aluminium Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at Lot 11, Jalan Perusahaan 1, Kawasan Perusahaan Beranang, 43700 Beranang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 30 April 2021 comprise the Company and its subsidiaries and the interest of the Group in an associate. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 14 September 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of manufacturing, marketing and trading of aluminium extrusions and other metal products. The principal activities and details of the subsidiaries and an associate are disclosed in Notes 10 and 11 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of the new MFRSs during the financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed in Note 5 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the voting rights of the Group and potential voting rights.

Intra-group balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associate are eliminated to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the financial year are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate.

4.3 Business combination

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Other contingent consideration that:

   (i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9.

   (ii) is not within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Business combination (cont'd)

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value, or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. The accounting policy for goodwill is set out in Note 4.8 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment and depreciation (cont'd)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The principal depreciation rates and periods are as follows:

Buildings	2%
Plant and machinery	Over the useful lives of 10 to 25 years
Motor vehicles	10% – 20%
Office equipment	10% – 25%
Furniture and fittings	10%
Dies and moulds	20%

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Investment property

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment properties or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the assets would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of investment properties are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the investment properties are acquired, if applicable.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Investment property (cont'd)

Freehold land is not depreciated. Depreciation is charged to profit or loss on straight-line method over the estimated useful lives of the investment property. The principal depreciation rate of building is 2%.

At the end of each reporting period, the carrying amount of an item of the investment properties are assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

Investment property is derecognised when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss in the period of the retirement or disposal.

4.6 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of RM20,000 and below. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Leases (cont'd)

The Group as lessee (cont'd)

Right-of-use asset (cont'd)

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	Over the lease period
Buildings	2 to 3 years
Plant and machinery	3 to 5 years
Hostels	2 to 10 years
Motor vehicles	2 to 11 years

Lease liability

The lease liability is initially measured at the present value of the contractual lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised insubstance fixed lease payments.

The Group as lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

<u>Operating lease</u>

Leases where the Group and the Company retain substantially all risks and rewards of ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group and the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Lease incentives are recognised as other receivables where such incentives are provided by the Group and the Company and recognised net of lease income in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale in accordance with MFRS 5).

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

(b) Associate

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments (cont'd)

(b) Associate (cont'd)

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest available audited financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when the equity method is discontinued is recognised in profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

4.8 Goodwill on consolidation

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Goodwill on consolidation (cont'd)

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

4.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and an associate), deferred tax assets and inventories are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a prorata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. Cost of consumables and raw materials comprises all costs of purchase plus the cost of bringing the inventories to their existing location and condition. The cost of work-in-progress and manufactured inventories includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Property development expenditure

Property development expenditure not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

Property development expenditure comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. Such development expenditure comprises the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

The Group recognises in proft or loss the property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting period. It is measured based on direct measurements of the value transferred by the Group to the purchasers and the Group's effort or inputs to the satisfaction of the performance obligation.

Substantial changes in cost estimates can have a signifcant effect on the Group's profitability in future periods. In making the above judgement, the Group relies on past experience and work of specialists. There is no estimation required in determining the transaction prices as revenue from property development is based on cost plus margin.

4.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Financial instruments (cont'd)

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group had elected an irrevocable option to designate its equity instruments not held for trading other than investments in subsidiaries and associates at initial recognition as financial assets measured at FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) Financial assets measured at fair value (cont'd)

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Group in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for when the Group's own credit risk increases or decreases and which is recognised in other comprehensive income. Net gains or losses on derivatives include exchange differences.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(ii) Financial liabilities measured at amortised cost

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.12 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group assesses whether its recognised insurance liabilities, if any, are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities, if any, are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution.

On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

When the Company repurchases its own equity share capital, the consideration paid including any directly attributable incremental external costs are included in equity attributable to the Company's equity holders as treasury shares until they are cancelled, reissued or disposed.

The shares repurchased are being held as treasury shares in accordance with Section 127 of Companies Act 2016. The Company may distribute the treasury shares as dividend to the Shareholders or resell the treasury shares in the market in accordance with the Rules of Bursa Securities or cancel the shares in accordance with Section 127 of Companies Act 2016.

When repurchased shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, are included in equity attributable to the owners of the Company. Any difference between the resale price and the carrying amount of the repurchased shares is accounted as a movement in reserves in statements of changes in equity.

4.14 Impairment of financial assets

The Group and the Company recognise an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. The Group and the Company apply the simplified and general approach to measure expected credit loss ("ECL") on trade and other receivables.

The Group and the Company measure loss allowances for cash and bank balances that are determined to have low credit risk at the reporting date at 12-month expected credit loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Impairment of financial assets (cont'd)

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses. The Group and the Company consider credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 35 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information such as Malaysia Gross Domestic Product and aluminium price multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within other operating expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Evidence that a financial asset is credit impaired includes the following observable data:

(i) Significant financial difficulties of the debtor;
(ii) A breach of contract such as a default or being more than 365 days past due;
(iii) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
(iv) It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
(v) The disappearance of an active market for a security because of financial difficulties.

The Group and the Company defines significant increase in credit risk based on past due information, i.e. 60 days after credit term, operating performance of the receivables, changes to contractual terms and payment trends.

The probability of non-payment by other receivables and amounts owing by subsidiaries are adjusted by forward looking information such as aluminium price and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the other receivables and amounts owing by subsidiaries.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.16 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes and real property gains taxes payable on the disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profit (including withholding taxes payable by foreign subsidiary on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.17 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.19 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiary makes contributions to its country's statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operation

Financial statements of foreign operation is translated at the end of the reporting period exchange rates with respect to its assets and liabilities, and at exchange rates at the dates of the transactions with respect to items reflected in profit or loss or other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of the net investment in foreign operation is taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(a) Sale of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of goods.

(b) Services

Revenue from services rendered is recognised at a point in time when services have been rendered to the customer and coincides with the delivery of services and acceptance by customers.

Revenue recognition not in relation to performance obligations is described below:

(a) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(b) Management fee

The provision of management fee is recognised when services are rendered.

(c) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.23 Operating segments

Operating segments are defined as components of the Group that:

(a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenue.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

   (i) the combined reported profit of all operating segments that did not report a loss; and

   (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 Fair value measurements

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.25 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

(a) They are available for immediate sale;
(b) Management is committed to a plan to sell;
(c) It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
(d) An active programme to locate a buyer has been initiated;
(e) The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
(f) A sale is epected to completed within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

(a) Their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
(b) Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income up to the date of disposal.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendments to MFRS 4 *Insurance Contract – Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2023
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies,* Changes in *Accounting Estimates and Errors*)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes*)	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable in the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgements in determining the probability of default by trade receivables and appropriate forward-looking information, incorporating the impact of the COVID-19 pandemic.

(b) Carrying amount of inventories at lower of cost and net realisable value

The Group and the Company writes down its obsolete or slow moving inventories based on an assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Writing down of inventories to net realisable value is mainly based on management estimates, which have been derived from estimates of selling prices that are subject to price volatility of aluminium, incorporating the impact of the COVID-19 pandemic.

(c) Impairment assessment of amounts owing by subsidiaries

Impairment assessment of amounts owing by subsidiaries requires management to exercise significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios, incorporating the impact of the COVID-19 pandemic.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.5.2020 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Exchange translation differences RM'000	Balance as at 30.4.2021 RM'000
Carrying amount							
Freehold land	23,555	–	–	–	–	–	23,555
Buildings	80,266	2,044	–	–	(2,007)	14	80,317
Plant and machinery	80,762	5,311	–	(317)	(9,041)	–	76,715
Motor vehicles	1,681	176	(75)	–	(465)	–	1,317
Office equipment	1,056	396	(2)	(4)	(234)	–	1,212
Furniture and fittings	5,872	328	(1)	(1)	(809)	1	5,390
Dies and moulds	1	–	–	–	–	–	1
	193,193	8,255	(78)	(322)	(12,556)	15	188,507

	<------ At 30.4.2021			------>
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Freehold land	23,555	–	–	23,555
Buildings	98,833	(18,281)	(235)	80,317
Plant and machinery	209,969	(132,128)	(1,126)	76,715
Motor vehicles	6,390	(5,073)	–	1,317
Office equipment	8,581	(7,369)	–	1,212
Furniture and fittings	14,750	(9,360)	–	5,390
Dies and moulds	61	(60)	–	1
	362,139	(172,271)	(1,361)	188,507

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance as at 1.5.2019 RM'000	Effects on adoption of MFRS 16 RM'000	Additions RM'000	Written off RM'000	Acquisition of subsidiaries (Note 40) RM'000	Depreciation charge for the financial year RM'000	Exchange translation differences RM'000	Balance as at 30.4.2020 RM'000
Carrying amount								
Freehold land	23,555	–	–	–	–	–	–	23,555
Leasehold land	7,329	(7,329)	–	–	–	–	–	–
Buildings	74,459	–	7,679	–	–	(1,872)	–	80,266
Plant and machinery	80,777	–	8,459	(55)	381	(8,800)	–	80,762
Motor vehicles	2,116	–	153	–	–	(588)	–	1,681
Office equipment	1,006	–	253	(2)	42	(242)	(1)	1,056
Furniture and fittings	5,515	–	1,200	–	3	(844)	(2)	5,872
Dies and moulds	2	–	–	–	–	(1)	–	1
	194,759	(7,329)	17,744	(57)	426	(12,347)	(3)	193,193

	<----- At 30.4.2020			----->
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Freehold land	23,555	–	–	23,555
Buildings	96,834	(16,333)	(235)	80,266
Plant and machinery	208,848	(126,960)	(1,126)	80,762
Motor vehicles	6,635	(4,954)	–	1,681
Office equipment	10,184	(9,128)	–	1,056
Furniture and fittings	15,525	(9,653)	–	5,872
Dies and moulds	93	(92)	–	1
	361,674	(167,120)	(1,361)	193,193

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Balance as at 1.5.2020 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.4.2021 RM'000
Carrying amount						
Freehold land	8,710	–	–	–	–	8,710
Buildings	73,742	1,770	–	–	(1,764)	73,748
Plant and machinery	73,407	5,021	(269)	(297)	(8,431)	69,431
Motor vehicles	1,433	137	(75)	–	(364)	1,131
Office equipment	909	87	(8)	–	(200)	788
Furniture and fittings	5,561	293	(2)	(2)	(758)	5,092
Dies and moulds	1	–	(1)	–	–	–
	163,763	7,308	(355)	(299)	(11,517)	158,900

	<------ At 30.4.2021 ------>			
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Freehold land	8,710	–	–	8,710
Buildings	89,486	(15,738)	–	73,748
Plant and machinery	194,857	(124,300)	(1,126)	69,431
Motor vehicles	5,619	(4,488)	–	1,131
Office equipment	7,591	(6,803)	–	788
Furniture and fittings	12,917	(7,825)	–	5,092
Dies and moulds	–	–	–	–
	319,180	(159,154)	(1,126)	158,900

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Balance as at 1.5.2019 RM'000	Effects on adoption of MFRS 16 RM'000	Additions RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.4.2020 RM'000
Carrying amount						
Freehold land	8,710	–	–	–	–	8,710
Leasehold land	4,198	(4,198)	–	–	–	–
Buildings	67,702	–	7,679	–	(1,639)	73,742
Plant and machinery	74,045	–	7,601	(50)	(8,189)	73,407
Motor vehicles	1,948	–	–	–	(515)	1,433
Office equipment	941	–	180	(1)	(211)	909
Furniture and fittings	5,190	–	1,120	–	(749)	5,561
Dies and moulds	2	–	–	–	(1)	1
	162,736	(4,198)	16,580	(51)	(11,304)	163,763

	<------ At 30.4.2020 ------>			
	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Freehold land	8,710	–	–	8,710
Buildings	87,780	(14,038)	–	73,742
Plant and machinery	195,037	(120,504)	(1,126)	73,407
Motor vehicles	5,868	(4,435)	–	1,433
Office equipment	9,554	(8,645)	–	909
Furniture and fittings	13,791	(8,230)	–	5,561
Dies and moulds	93	(92)	–	1
	320,833	(155,944)	(1,126)	163,763

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Hostels RM'000	Motor vehicles RM'000	Total RM'000
Group						
Carrying amount						
At 1 May 2020	**7,179**	**365**	**2,043**	**1,421**	**867**	**11,875**
Reassessments and modification	**–**	**1,661**	**(180)**	**202**	**(78)**	**1,605**
Additions	**–**	**–**	**–**	**256**	**–**	**256**
Depreciation	**(150)**	**(1,868)**	**(229)**	**(478)**	**(327)**	**(3,052)**
At 30 April 2021	**7,029**	**158**	**1,634**	**1,401**	**462**	**10,684**
Carrying amount						
At 1 May 2019	–	–	–	–	–	–
Effects on adoption of MFRS 16	7,329	282	834	887	909	10,241
Acquisition of a subsidiary (Note 40)	–	37	218	11	18	284
Additions	–	283	1,157	971	292	2,703
Depreciation	(150)	(237)	(166)	(448)	(352)	(1,353)
At 30 April 2020	7,179	365	2,043	1,421	867	11,875
Company						
Carrying amount						
At 1 May 2020	**4,115**	**1,794**	**1,837**	**1,336**	**614**	**9,696**
Reassessments and modification	**–**	**978**	**–**	**144**	**(78)**	**1,044**
Additions	**–**	**–**	**–**	**256**	**–**	**256**
Depreciation	**(83)**	**(1,040)**	**(203)**	**(445)**	**(259)**	**(2,030)**
At 30 April 2021	**4,032**	**1,732**	**1,634**	**1,291**	**277**	**8,966**
Carrying amount						
At 1 May 2019	–	–	–	–	–	–
Effects on adoption of MFRS 16	4,198	1,680	835	887	909	8,509
Additions	–	1,145	1,157	863	–	3,165
Depreciation	(83)	(1,031)	(155)	(414)	(295)	(1,978)
At 30 April 2020	4,115	1,794	1,837	1,336	614	9,696

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

	Buildings RM'000	Plant and machinery RM'000	Hostels RM'000	Motor vehicles RM'000	Total RM'000
Group					
Carrying amount					
At 1 May 2020	**384**	**1,752**	**1,468**	**934**	**4,538**
Reassessments and modification	**1,514**	**–**	**196**	**(68)**	**1,642**
Additions	**–**	**–**	**256**	**–**	**256**
Lease payments	**(1,470)**	**(529)**	**(536)**	**(350)**	**(2,885)**
Interest expense	**24**	**83**	**80**	**32**	**219**
At 30 April 2021	**452**	**1,306**	**1,464**	**548**	**3,770**
Carrying amount					
At 1 May 2019	–	–	–	–	–
Effects on adoption of MFRS 16	283	810	906	931	2,930
Acquisition of a subsidiary (Note 40)	48	93	11	29	181
Additions	283	1,157	971	292	2,703
Lease payments	(250)	(384)	(500)	(369)	(1,503)
Interest expense	20	76	80	51	227
At 30 April 2020	384	1,752	1,468	934	4,538
Company					
Carrying amount					
At 1 May 2020	**1,693**	**1,687**	**1,380**	**646**	**5,406**
Reassessments and modification	**978**	**–**	**138**	**(68)**	**1,048**
Additions	**–**	**–**	**256**	**–**	**256**
Lease payments	**(1,061)**	**(462)**	**(500)**	**(295)**	**(2,318)**
Interest expense	**96**	**81**	**75**	**24**	**276**
At 30 April 2021	**1,706**	**1,306**	**1,349**	**307**	**4,668**
Carrying amount					
At 1 May 2019	–	–	–	–	–
Effects on adoption of MFRS 16	1,641	810	906	931	4,288
Additions	1,145	1,157	863	–	3,165
Lease payments	(1,170)	(354)	(463)	(328)	(2,315)
Interest expense	77	74	74	43	268
At 30 April 2020	1,693	1,687	1,380	646	5,406

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Represented by:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current liabilities	**1,495**	1,498	**2,197**	2,108
Non-current liabilities	**2,275**	3,040	**2,471**	3,298
	3,770	4,538	**4,668**	5,406

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Lease liabilities owing to financial institutions	**222**	308	**–**	–
Lease liabilities owing to non-financial institutions	**3,548**	4,230	**4,668**	5,406
	3,770	4,538	**4,668**	5,406

(a) The Group and the Company lease a number of buildings, plant and machineries, hostels and motor vehicles in the locations, which it operates with fixed periodic rent over the lease term.

The Group and the Company have certain leases of buildings, machine and hostels with lease term of 12 months or less, and low value leases of office equipment. The Group and the Company apply the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation charge of right-of-use assets (included in cost of sales, administrative expenses and marketing and distribution expenses)	**3,052**	1,353	**2,030**	1,978
Interest expense on lease liabilities (included in finance cost)	**219**	227	**276**	268
Expense relating to short-term leases (included in cost of sales and administrative expenses)	**40**	120	**34**	87
Expense relating to leases of low-value assets (included in cost of sales, administrative expenses and marketing and distribution expenses)	**39**	39	**37**	38
	3,350	1,739	**2,377**	2,371

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(c) Lease liabilities are denominated in RM.

(d) The lease liabilities of the Group and of the Company bear the following interest rates per annum:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Lease liabilities	**2.52 – 5.50**	2.52 – 5.50	**4.49 – 5.50**	5.50

(e) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(f) Information on financial risks of lease liabilities is disclosed in Note 39 to the financial statements.

9. INVESTMENT PROPERTY

	Group	
	2021 RM'000	**2020 RM'000**
Cost		
At 1 May 2020/2019	**25,000**	25,000
Reclassification to asset classified as held for sale (Note 19)	**(25,000)**	–
At 30 April 2021/2020	**–**	25,000
Accumulated depreciation		
At 1 May 2020/2019	**207**	86
Depreciation charge for the financial year	**121**	121
Reclassification to asset classified as held for sale (Note 19)	**(328)**	–
At 30 April 2021/2020	**–**	207
Carrying amount		
At 30 April 2021/2020	**–**	24,793

	Group	
	2021 RM'000	**2020 RM'000**
Freehold land	**–**	18,939
Building	**–**	5,854
	–	24,793

(a) As at the end of reporting period, rental income of the Group derived from an investment property amounted to RM1,500,000 (2020: RM1,500,000).

(b) During the financial year, the Group has transferred its investment property to asset classified as held for sale in Note 19 to the financial statements.

(c) In the previous financial year, the valuation of investment property at Level 3 fair value amounting to RM33,000,000 was based on the estimates of market value by the Directors.

(d) Information on the fair value hierarchy is disclosed in Note 38 to the financial statements.

10. INVESTMENTS IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Unquoted equity shares, at cost		
– in Malaysia	**16,081**	13,881
– outside Malaysia	**233**	233
	16,314	14,114
Acquisition of subsidiaries (Note 40)	**–**	2,200
	16,314	16,314

Name of company	Country of incorporation	Effective interest in equity held by the Group 2021 %	Effective interest in equity held by the Group 2020 %	Principal activities
ALBE Marketing Sdn. Bhd.	Malaysia	**100.00**	100.00	Marketing and trading of aluminium hardware and other fittings
ALBE Metal Sdn. Bhd.	Malaysia	**100.00**	100.00	Trading of aluminium sheets and other metal products
LB Aluminium (Sarawak) Sdn. Bhd.	Malaysia	**100.00**	100.00	Manufacturing, marketing and trading of aluminium extrusion
LB Aluminium (Singapore) Pte. Ltd. (1)	Singapore	**100.00**	100.00	Retail and trading of aluminium extrusion and accessories
Rank Metal Sdn. Bhd.	Malaysia	**100.00**	100.00	Property holding
Omega Pesona Sdn. Bhd.	Malaysia	**100.00**	100.00	Property holding
Poly Acres Sdn. Bhd.	Malaysia	**100.00**	100.00	Property holding
Facade Performance Lab Sdn. Bhd.	Malaysia	**100.00**	100.00	Providing performance tests for windows, doors and facades
Citajaya Kuasa Sdn. Bhd. ("CKSB") (1)	Malaysia	**51.00**	51.00	Investment holding
Greentech Paramount Sdn. Bhd.	Malaysia	**74.00**	100.00	Investment holding
SEMS Sdn. Bhd.	Malaysia	**60.00**	60.00	Providing metal stamping and other engineering works

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Country of incorporation	Effective interest in equity held by the Group 2021 %	2020 %	Principal activities
Subsidiary of LB Aluminium (Sarawak) Sdn. Bhd.				
LB Sarawak Industries Sdn. Bhd.	Malaysia	**100.00**	100.00	Property holding
Subsidiary of CKSB				
Contras Build Sdn. Bhd. ("CBSB") (1) (2)	Malaysia	**40.80**	40.80	Property development
Subsidiary of Greentech Paramount Sdn. Bhd.				
Pembinaan Serta Hebat Sdn. Bhd. (1)	Malaysia	**42.55**	50.06	Property development

(1) Subsidiaries not audited by BDO PLT or member firms.

(2) The Group considers that it controls CBSB even though it owns less than fifty percent (50%) of the voting rights. This is due to the Group having control over the Board and the power to govern the relevant activities of this entity.

(a) During the financial year ended 30 April 2021:

(i) On 14 January 2021, GPSB allotted 99 new ordinary shares representing 99% of the enlarged share capital of GPSB for a total cash consideration of RM99. The allotment of shares resulted in a dilution of the Company's shareholding in GPSB from 100% to 74%. The financial effects of this transaction, amounting to RM4,000, is credited to retained earnings as disclosed in the consolidated statement of changes in equity. The transaction has been completed during the financial year.

(ii) On 18 January 2021, Greentech Paramount Sdn. Bhd. ("GPSB"), a subsidiary of the Company, has subscribed an additional 7.44% of equity interest comprising 927,500 ordinary shares in Pembinaan Serta Hebat Sdn. Bhd. ("PSHSB") for a cash consideration of RM927,500. The transaction has been completed during the financial year resulting in an increase in direct shareholding from 50.06% to 57.50%. Accordingly, the issued and paid up ordinary share capital of PSHSB increased from RM4,005,000 to RM5,100,000 respectively. However, as a result of the shares allotment by GPSB on 14 January 2021, the Group's effective interest in PSHSB is diluted by 7.51% from 50.06% to 42.55% and the financial effects of this transaction, amounting to RM601,000, is credited to non-controlling interests as disclosed in the consolidated statement of changes in equity. The Group considers that it controls PSHSB even though it owns less than fifty percent (50%) of the voting rights. This is due to the Group having control over the Board and the power to govern the relevant activities of this entity.

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) In the previous financial year ended 30 April 2020:

(i) The Company acquired the entire equity interest comprising 1 ordinary share in GPSB for a cash consideration of RM1. The transaction had been completed in the previous financial year. Consequently, the Company became the holding company of GPSB. There is no material impact to the financial statements upon acquisition of GPSB.

(ii) A wholly-owned subsidiary of the Company, GPSB subscribed for 50.06% of equity interest comprising 2,005,000 ordinary shares in PSHSB for a cash consideration of RM2,005,000. The transaction had been completed in the previous financial year. Consequently, the Company became the ultimate holding company of PSHSB. Details of the subscription were disclosed in Note 40 to the financial statements.

(iii) The Company subscribed for 60% of equity interest comprising 60,000 ordinary shares in SEMS Sdn. Bhd. ("SEMS") for a cash consideration of RM2,200,000. The transaction had been completed in the previous financial year. Consequently, the Company became the holding company of SEMS. Details of the subscription were disclosed in Note 40 to the financial statements.

(c) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

2021	CKSB RM'000	CBSB RM'000	PSHSB RM'000	GPSB RM'000	SEMS RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	**49.00%**	**59.20%**	**57.45%**	**26.00%**	**40.00%**	
Carrying amount of NCI	**11**	**447**	**(52)**	**(92)**	**367**	**681**
(Loss)/Profit allocated to NCI	**(34)**	**(3)**	**(684)**	**(89)**	**162**	**(648)**
Total comprehensive (loss)/ income attributable to NCI	**(34)**	**(3)**	**(684)**	**(89)**	**162**	**(648)**

2020	CKSB RM'000	CBSB RM'000	PSHSB RM'000	SEMS RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	49.00%	59.20%	49.94%	40.00%	
Carrying amount of NCI	45	450	32	205	732
Loss allocated to NCI	(2)	(5)	(1,213)	(106)	(1,326)
Total comprehensive loss attributable to NCI	(2)	(5)	(1,213)	(106)	(1,326)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

2021	CKSB RM'000	CBSB RM'000	PSHSB RM'000	GPSB RM'000	SEMS RM'000
Assets and liabilities					
Non-current assets	2,000	–	415	22,174	1,581
Current assets	38,790	41,201	73,570	–	918
Non-current liabilities	–	–	(35,208)	(22,525)	(244)
Current liabilities	(40,769)	(38,790)	(38,867)	(4)	(1,340)
Net assets/(liabilities)	21	2,411	(90)	(355)	915
Results					
Revenue	–	–	–	–	4,813
(Loss)/Profit for the financial year	(70)	(6)	(1,248)	(341)	405
Total comprehensive (loss)/profit	(70)	(6)	(1,248)	(341)	405
Cash flows					
Cash flows (used in)/from operating activities	(16,936)	(19,314)	(14,253)	(9,130)	552
Cash flows (used in)/from investing activities	–	–	(6)	9,031	(61)
Cash flows from/(used in) financing activities	16,949	19,323	(2,347)	99	(363)
Net increase/(decrease) in cash and cash equivalents	13	9	(16,606)	–	128

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows (cont'd):

2020	CKSB RM'000	CBSB RM'000	PSHSB RM'000	SEMS RM'000
Assets and liabilities				
Non-current assets	2,000	–	227	915
Current assets	18,293	39,931	66,937	1,214
Non-current liabilities	–	–	(35,416)	(90)
Current liabilities	(20,202)	(37,515)	(31,685)	(1,526)
Net assets	91	2,416	63	513
Results				
Revenue	–	–	–	1,556
Loss for the financial year	(5)	(8)	(2,429)	(266)
Total comprehensive loss	(5)	(8)	(2,429)	(266)
Cash flows				
Cash flows (used in)/from operating activities	(3)	(606)	(56,162)	224
Cash flows (used in)/from investing activities	–	–	(258)	763
Cash flows from/(used in) financing activities	2	605	68,412	(1,223)
Net (decrease)/increase in cash and cash equivalents	(1)	(1)	11,992	(236)

(e) The Company has assessed whether there are any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). Management has considered the losses in certain subsidiaries in the current financial year as impairment indicators.

Management has made estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts using the value-in-use model. These key assumptions include turnover growth rate, expenses growth rate, terminal value as well as determining an appropriate pre-tax discount rate used for subsidiaries. Based on these assumptions, the Directors are of the view that no impairment loss is required as the recoverable amounts determined are higher than the carrying amounts of the CGUs.

11. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	**6,000**	6,000	**6,000**	6,000
Share of post-acquisition profit	**18,539**	7,559	**–**	–
	24,539	13,559	**6,000**	6,000

The details of the associate are as follows:

Name of company	Country of incorporation	Effective interest in equity 2021 %	Effective interest in equity 2020 %	Principal activity
Vistarena Development Sdn. Bhd. ("VDSB")*	Malaysia	**20**	20	Property development

* *Associate not audited by BDO PLT.*

(a) The associate has a financial year end of 31 December. Management accounts of this associate for the financial year ended 30 April 2021 has been used for the purpose of applying the equity method of accounting.

(b) The summarised financial information of the associate are as follows:

2021	VDSB RM'000
Assets and liabilities	
Non-current assets	**727**
Current assets	**166,819**
Non-current liabilities	**(14,104)**
Current liabilities	**(60,522)**
Net assets	**92,920**
Results	
Revenue	**191,622**
Profit for the financial year	**54,900**
Total comprehensive income	**54,900**
Share of results by the Group for the financial year	
Share of profit by the Group for the financial year	**10,980**

11. INVESTMENT IN AN ASSOCIATE (CONT'D)

(b) The summarised financial information of the associate are as follows (cont'd):

2020	**VDSB RM'000**
Assets and liabilities	
Non-current assets	118
Current assets	96,471
Non-current liabilities	(14,545)
Current liabilities	(44,025)
Net assets	38,019
Results	
Revenue	91,982
Profit for the financial year	25,535
Total comprehensive income	25,535
Share of results by the Group for the financial year	
Share of profit by the Group for the financial year	5,107

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in the associate of the Group.

	VDSB RM'000
2021	
Net assets as at 30 April	**92,920**
Interest in associate as at year end	**20%**
	18,584
Goodwill	**5,955**
Carrying value of Group's interest in the associate	**24,539**
2020	
Net assets as at 30 April	38,019
Interest in associate as at year end	20%
	7,604
Goodwill	5,955
Carrying value of Group's interest in the associate	13,559

12. OTHER INVESTMENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial asset at fair value through profit or loss				
Quoted shares in Malaysia, at market value	**1,596**	851	**1,596**	851

Information on the fair value hierarchy is disclosed in Note 38 to the financial statements.

13. GOODWILL ON CONSOLIDATION

		Group	
	Note	2021 RM'000	2020 RM'000
Cost			
At 1 May		**2,490**	–
Acquisition of subsidiaries	40	**–**	2,490
At 30 April		**2,490**	2,490

The carrying amounts of goodwill allocated to the Group's CGUs are as follows:

	Group	
	2021 RM'000	2020 RM'000
Aluminium	**1,733**	1,733
Property development	**757**	757
	2,490	2,490

13. GOODWILL ON CONSOLIDATION (CONT'D)

Impairment tests for goodwill with indefinite useful lives

(a) Goodwill of Aluminium CGU

The goodwill attributable to Aluminium CGU arose from the acquisition of SEMS, in the previous financial year. In performing the impairment assessment of the carrying amount of goodwill allocated to Aluminium CGU, the Group adopted the probability-weighted cash flow approach due to the possible outcomes of the CGU's performance arising from the inherent uncertainty of COVID-19 pandemic. The probability-weighted cash flow approach uses all expectations about possible cash flows, instead of the single most likely cash flow, which also aligns with management's internal forecasts. This cash flow projection is based on financial budget approved by management covering a one (1) year period and cash flows beyond the one (1) year period are extrapolated using the estimated sales volume growth rates and are weighted based on the following scenarios:

	Upside scenario	Base scenario	Downside scenario
Weighting	10%	60%	30%
Sales growth rate for FY2022	44%	32%	16%
Sales growth rate for FY2023 – FY2026	8%	8%	8%
Administrative expenses growth rate for FY2022 – FY2026	2%	2%	2%
Operating expenses growth rate for FY2022 – FY2026	8%	8%	8%
Pre-tax discount rate	5.18%	5.18%	5.18%

Mangement has assigned probability weighting to each scenario based on its expecations for the economy under and following the COVID-19 pandemic. Management is of the view that the probability weighting represents a reasonable assessment of the likelihood of the scenarios, taking into account macroeconomics factors, such as inflation rate.

In the previous financial year, the sales growth rate, operating expenses growth rate and pre-tax discount rate were 5%, 5% and 8% respectively as key assumptions for the pre-tax cash flows calculation.

As at 30 April 2021, the recoverable amount of Aluminium CGU based on value in use ("VIU") calculations was higher than the carrying amount of the goodwill, therefore no impairment loss was required.

However, the recoverable amount is sensitive to changes in certain key assumption. The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs with all other variables held constant is as follows:

	Change in assumption	Impact
Probability weighted	Upside scenario: 0% Base scenario: 0% Downside scenario: 100%	Breakeven
Average sales growth rate	Decrease by 3.5%	Breakeven
Operating expenses growth rate	Increase by 3.5%	No impairment loss
Administrative expenses growth rate	Increase by 3.5%	Breakeven
Pre-tax discount rate	Increase by 2.5%	No impairment loss

13. GOODWILL ON CONSOLIDATION (CONT'D)

Impairment tests for goodwill with indefinite useful lives (cont'd)

(b) Goodwill of Property development CGU

The goodwill attributable to Property development CGU arose from the acquisition of PSHSB, in the previous financial year. In performing the impairment assessment of the carrying amount of goodwill allocated to Property development CGU, the Group adopted the probability-weighted cash flow approach due to the possible outcomes of the CGU's performance arising from the inherent uncertainty of COVID-19 pandemic. The probability-weighted cash flow approach uses all expectations about possible cash flows, instead of the single most likely cash flow, which also aligns with management's internal forecasts. This cash flow projection is based on financial budget approved by management covering a one (1) year period and cash flows beyond the one (1) year period are extrapolated using the estimated sales volume growth rates and are weighted based on the following scenarios:

	Upside scenario	**Base scenario**	**Downside scenario**
Weighting	10%	60%	30%
Average selling price (per square feet)	RM333	RM306	RM292
Average administrative expenses growth rate for FY2022 – FY2027	2%	2%	2%
Average development costs growth rate for FY2022 – FY2027	14%	14%	14%
Pre-tax discount rate	11.94%	11.94%	11.94%

Mangement has assigned probability weighting to each scenario based on its expecations for the economy under and following the COVID-19 pandemic. Management is of the view that the probability weighting represents a reasonable assessment of the likelihood of the scenarios, taking into account macroeconomics factors, such as inflation rate.

In the previous financial year, the recoverable amount of the CGU was determined based on the valuation of a piece of land at Level 3 fair value amounting to RM158,700,000, which was on the estimates of market value by the Directors.

As at 30 April 2021, the recoverable amount of Property development CGU based on VIU calculations was higher than the carrying amount of the goodwill, therefore no impairment loss was required.

However, the recoverable amount is sensitive to changes in certain key assumption. The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs with all other variables held constant is as follows:

	Change in assumption	**Impact**
Probability weighted	Upside scenario: 7% Base scenario: 53% Downside scenario: 40%	No impairment loss
Development costs growth rate	Increase by 3.45%	Breakeven
Administrative expenses growth rate	Increase by 44%	Breakeven
Pre-tax discount rate	Increase by 4.5%	No impairment loss

14. DEFERRED TAX ASSETS/(LIABILITIES)

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Balance as at 1 May	**(20,522)**	(20,371)	**(19,328)**	(18,891)
Acquisition of a subsidiary (Note 40)	**–**	(34)	**–**	–
Recognised in profit or loss (Note 30)	**524**	(117)	**375**	(437)
Balance as at 30 April	**(19,998)**	(20,522)	**(18,953)**	(19,328)
Presented after appropriate offsetting:				
Deferred tax assets, net*	**15**	–	**–**	–
Deferred tax liabilities, net*	**(20,013)**	(20,522)	**(18,953)**	(19,328)
	(19,998)	(20,522)	**(18,953)**	(19,328)

* *The amounts of set-off between deferred tax assets and deferred tax liabilities of the Group and of the Company were RM5,207,000 (2020: RM4,425,000) and RM3,937,000 (2020: RM3,295,000) respectively.*

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Unabsorbed tax losses RM'000	Unutilised capital allowances RM'000	Lease liabilities RM'000	Allowances RM'000	Others RM'000	Total RM'000
At 1 May 2019	45	345	–	1,206	350	1,946
Acquisition of a subsidiary (Note 40)	–	–	–	3	–	3
Recognised in profit or loss	–	(45)	1,784	964	(227)	2,476
At 30 April 2020	45	300	1,784	2,173	123	4,425
Recognised in profit or loss	**–**	**408**	**(440)**	**766**	**63**	**797**
At 30 April 2021	**45**	**708**	**1,344**	**2,939**	**186**	**5,222**

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd):

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Others RM'000	Total RM'000
At 1 May 2019	(22,317)	–	–	(22,317)
Acquisition of a subsidiary (Note 40)	(37)	–	–	(37)
Recognised in profit or loss	(36)	(2,557)	–	(2,593)
At 30 April 2020	(22,390)	(2,557)	–	(24,947)
Recognised in profit or loss	**(733)**	**472**	**(12)**	**(273)**
At 30 April 2021	**(23,123)**	**(2,085)**	**(12)**	**(25,220)**

Deferred tax assets of the Company

	Lease liabilities RM'000	Allowances RM'000	Others RM'000	Total RM'000
At 1 May 2019	–	880	350	1,230
Recognised in profit or loss	1,298	992	(225)	2,065
At 30 April 2020	1,298	1,872	125	3,295
Recognised in profit or loss	**(458)**	**1,039**	**61**	**642**
At 30 April 2021	**840**	**2,911**	**186**	**3,937**

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Total RM'000
At 1 May 2019	(20,121)	–	(20,121)
Effect of adoption of MFRS 16	3	(3)	–
Recognised in profit or loss	(178)	(2,324)	(2,502)
At 30 April 2020	(20,296)	(2,327)	(22,623)
Recognised in profit or loss	**(739)**	**472**	**(267)**
At 30 April 2021	**(21,035)**	**(1,855)**	**(22,890)**

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2021 RM'000	2020 RM'000
Unabsorbed capital allowances	**148**	410
Unused tax losses		
– Expires by 31 December 2026	**–**	1,248
– Expires by 31 December 2027	**108**	108
– Expires by 31 December 2028	**1**	–
Other temporary differences	**866**	139
	1,123	1,905

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

15. INVENTORIES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At cost					
Raw materials		**35,700**	41,784	**27,668**	36,219
Finished goods		**75,613**	54,027	**70,937**	47,262
Consumables		**3,686**	3,228	**3,391**	2,961
Property development expenditure	(a)	**71,682**	54,871	**–**	–
		186,681	153,910	**101,996**	86,442

(a) Property development expenditure

Group	Note	Balance as at 1.5.2020 RM'000	Cost incurred during the year RM'000	Balance as at 30.4.2021 RM'000
Leasehold land	(b)	**40,756**	**–**	**40,756**
Development costs		**14,115**	**16,811**	**30,926**
		54,871	**16,811**	**71,682**

15. INVENTORIES (CONT'D)

(a) Property development expenditure (cont'd)

Group	Note	Balance as at 1.5.2019 RM'000	Acquisition of a subsidiary (Note 40) RM'000	Cost incurred during the year RM'000	Balance as at 30.4.2020 RM'000
Leasehold land	(b)	–	–	40,756	40,756
Development costs		–	2,513	11,602	14,115
		–	2,513	52,358	54,871

(b) Property development land of a subsidiary with carrying amount of RM40,756,000 (2020: RM40,756,000) is pledged as security for term borrowing granted to the subsidiary as disclosed in Note 22(d) to the financial statements.

(c) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM436,241,000 (2020: RM400,937,000) and RM402,550,000 (2020: RM370,411,000) respectively.

(d) Inventories written off for finished goods of the Group and of the Company during the financial year amounting to RM99,000 (2020: RM75,000) and RM94,000 (2020: RM75,000) respectively are included in cost of sales.

(e) During the financial year, the Group and the Company recorded a charge to profit and loss pertaining to inventories written down of RM19,000 (2020: RM6,180,000) and RM Nil (2020: RM5,311,000) for finished goods and are included in cost of sales.

(f) Interest expense capitalised under property development expenditure of the Group amounted to RM2,973,093 (2020: RM950,826) bear interest rate range at 3.10% to 6.20% (2020: 6.20%).

(g) In previous financial year, the impact of novel coronavirus ("COVID-19") pandemic to the Group and to the Company are as follows:

(i) In conjunction with the COVID-19 pandemic and followed by the Movement Control Order ("MCO") issued by the Government of Malaysia, the Group's and the Company's factory operations were not allowed during MCO.

Allocation of the fixed production overheads of RM1,634,000 was therefore expensed to the profit or loss as the production was operating below normal capacity in April 2020.

(ii) The Group and the Company recorded a charge to profit or loss pertaining to inventories written down of RM6,180,000 and RM5,311,000 respectively due to the significant declined in aluminium prices throughout the financial period and are included in cost of sales.

16. TRADE AND OTHER RECEIVABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Amounts owing by subsidiaries	(c)	**–**	–	**62,127**	51,719
Less: Impairment losses	(f)	**–**	–	**(1,571)**	(244)
		–	–	**60,556**	51,475
Current					
Trade receivables					
Third parties	(a)	**121,945**	97,856	**103,319**	80,401
Amounts owing by subsidiaries	(b)	**–**	–	**786**	964
		121,945	97,856	**104,105**	81,365
Less: Impairment losses					
– third parties	(e)	**(6,881)**	(9,667)	**(3,913)**	(6,006)
– subsidiaries	(f)	**–**	–	**–**	–
Total trade receivables		**115,064**	88,189	**100,192**	75,359
Other receivables					
Other receivables		**9,068**	7,107	**2,316**	4,244
Deposits		**471**	481	**316**	403
Amounts owing by subsidiaries	(d)	**–**	–	**16**	14,411
		9,539	7,588	**2,648**	19,058
Less: Impairment losses					
– other receivables	(f)	**(198)**	(227)	**(138)**	(138)
– subsidiaries	(f)	**–**	–	**–**	(45)
		9,341	7,361	**2,510**	18,875
Total receivables		**124,405**	95,550	**102,702**	94,234
Prepayments	(j)	**39,697**	39,225	**1,163**	1,111
Total trade and other receivables (current)		**164,102**	134,775	**103,865**	95,345
Total trade and other receivables (non-current and current)		**164,102**	134,775	**164,421**	146,820

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group and the Company range from seven (7) to ninety (90) days (2020: seven (7) to ninety (90) days) from the date of invoice. They are recognised at their original invoices amounts, which represent their fair values on initial recognition.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current amounts owing by subsidiaries in trade receivables are trade in nature and are subject to the normal credit terms granted by the Company which ranged from seven (7) to ninety (90) days (2020: seven (7) to ninety (90) days) from the date of invoice. They are recognised at their original invoices amounts, which represent their fair values on initial recognition.

(c) Non-current amounts owing by the subsidiaries of the Company represent loan and advances amounts, which are unsecured, bear interest range at 3.1% to 6.0% (2020: 5.5% to 6.0%) per annum and are not repayable within the next twelve (12) months.

(d) Current amounts owing by subsidiaries in other receivables represent advances and payments made on behalf, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.

(e) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Lifetime expected credit losses ("ECL") allowances RM'000
Group	
At 1 May 2020	**9,667**
Charge for the financial year	**1,410**
Reversal of impairment loss	**(4,218)**
Exchange differences	**22**
At 30 April 2021	**6,881**
At 1 May 2019	4,390
Acquisition of a subsidiary	4
Charge for the financial year	5,348
Reversal of impairment loss	(82)
Exchange differences	7
At 30 April 2020	9,667
Company	
At 1 May 2020	**6,006**
Charge for the financial year	**915**
Reversal of impairment loss	**(3,008)**
At 30 April 2021	**3,913**
At 1 May 2019	2,089
Charge for the financial year	3,968
Reversal of impairment loss	(51)
At 30 April 2020	6,006

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) The reconciliation of movements in the impairment losses on other receivables and amounts owing by related parties are as follows:

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Total RM'000
Group			
At 1 May 2020	**227**	**–**	**227**
Charge for the financial year	**1**	**–**	**1**
Reversal of impairment loss	**(30)**	**–**	**(30)**
At 30 April 2021	**198**	**–**	**198**
At 1 May 2019	342	–	342
Acquisition of a subsidiary	4	–	4
Charge for the financial year	12	–	12
Reversal of impairment loss	(131)	–	(131)
At 30 April 2020	227	–	227
Company			
At 1 May 2020	**138**	**289**	**427**
Charge for the financial year	**–**	**1,571**	**1,571**
Reversal of impairment loss	**–**	**(289)**	**(289)**
At 30 April 2021	**138**	**1,571**	**1,709**
At 1 May 2019	522	64	586
Charge for the financial year	–	289	289
Reversal of impairment loss	(384)	(64)	(448)
At 30 April 2020	138	289	427

(g) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group and of the Company are summarised in the table below:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Maximum exposure	**115,064**	88,189	**100,192**	75,359
Collateral obtained	**–**	–	**–**	–
Net exposure to credit risk	**115,064**	88,189	**100,192**	75,359

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) The currency exposure profile of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	**111,971**	82,205	**157,227**	137,831
United States Dollar	**6,420**	6,596	**5,888**	6,424
Singapore Dollar	**6,014**	6,749	**143**	1,454
	124,405	95,550	**163,258**	145,709

(i) The expected credit losses of trade receivables of the Group and of the Company are as follows:

Group	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 30.4.2021 RM'000
2021			
Current	**92,770**	**(334)**	**92,436**
Past due			
1 to 30 days	**13,356**	**(279)**	**13,077**
31 to 60 days	**7,253**	**(486)**	**6,767**
61 to 90 days	**2,595**	**(373)**	**2,222**
More than 90 days	**5,971**	**(5,409)**	**562**
	29,175	**(6,547)**	**22,628**
	121,945	**(6,881)**	**115,064**

Group	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 30.4.2020 RM'000
2020			
Current	42,953	(222)	42,731
Past due			
1 to 30 days	18,074	(513)	17,561
31 to 60 days	14,600	(863)	13,737
61 to 90 days	8,521	(876)	7,645
More than 90 days	13,708	(7,193)	6,515
	54,903	(9,445)	45,458
	97,856	(9,667)	88,189

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) The expected credit losses of trade receivables of the Group and of the Company are as follows (cont'd):

Company	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 30.4.2021 RM'000
2021			
Current	**82,430**	**(18)**	**82,412**
Past due			
1 to 30 days	**8,289**	**(11)**	**8,278**
31 to 60 days	**6,776**	**(14)**	**6,762**
61 to 90 days	**2,410**	**(11)**	**2,399**
More than 90 days	**4,200**	**(3,859)**	**341**
	21,675	**(3,895)**	**17,780**
	104,105	**(3,913)**	**100,192**

Company	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 30.4.2020 RM'000
2020			
Current	34,791	(132)	34,659
Past due			
1 to 30 days	14,350	(320)	14,030
31 to 60 days	13,253	(412)	12,841
61 to 90 days	7,755	(467)	7,288
More than 90 days	11,216	(4,675)	6,541
	46,574	(5,874)	40,700
	81,365	(6,006)	75,359

(j) Included in the prepayments as at end of the current financial year is an amount of RM38,326,000 (2020: RM38,326,000), which represents land premium paid to relevant authority by a subsidiary of the Group. On 24 June 2021, the subsidiary has received the land title.

(k) Information on financial risks of trade and other receivables is disclosed in Note 39 to the financial statements.

17. SHORT TERM FUND

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At fair value through profit or loss				
Short term fund	**27,791**	13,327	**27,791**	13,327

(a) Short term fund is classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy. The short term fund of the Group and of the Company is denominated in Ringgit Malaysia ("RM").

(b) The management assessed that the fair value of the short term fund approximates its carrying amount largely due to the short term maturities of this instrument.

(c) Information on the fair value hierarchy is disclosed in Note 38 to the financial statements.

(d) Information on financial risks of short term fund is disclosed in Note 39 to the financial statements.

18. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	**17,761**	34,012	**14,638**	19,918
Deposits with licensed banks	**18,710**	1,000	**16,010**	1,000
	36,471	35,012	**30,648**	20,918
Less: Impairment losses	**(1)**	(1)	**–**	–
As reported in the statements of financial position	**36,470**	35,011	**30,648**	20,918
Less: Bank overdrafts	**(4,605)**	–	**–**	–
As reported in the statements of cash flows	**31,865**	35,011	**30,648**	20,918

(a) Deposits placed with licensed banks of the Group and the Company have maturity periods of 5 to 29 days (2020: 4 days) and 5 to 23 days (2020: 4 days) with interest rates of 1.20% to 1.63% (2020: 2.20%) and 1.20% to 1.63% (2020: 2.20%) per annum respectively.

18. CASH AND BANK BALANCES (CONT'D)

(b) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	**26,411**	15,900	**22,831**	2,714
United States Dollar	**7,812**	18,193	**7,793**	18,192
Singapore Dollar	**2,242**	912	**19**	6
Others	**5**	6	**5**	6
	36,470	35,011	**30,648**	20,918

(c) The reconciliation of movements in the impairment losses on cash and bank balances are as follows:

	<------- 12-month ECL ------->	
Group	2021 RM'000	2020 RM'000
At 1 May	**1**	2
Reversal of impairment loss	**–**	(1)
At 30 April	**1**	1

(d) Information on financial risks of cash and bank balances is disclosed in Note 39 to the financial statements.

19. ASSET CLASSIFIED AS HELD FOR SALE

On 17 May 2021, a wholly-owned subsidiary of the Group entered into a Tripartite Sale and Purchase Agreement ("TSPA") with Top Parts Electronics (M) Sdn. Bhd. ("TPESB") and the existing tenant of the property, Facade Treatment Engineering Sdn. Bhd. ("FTESB") for the disposal of a parcel of freehold land together with all those industrial buildings and structures erected thereon within Lot 755, Jalan Subang 3, Sungai Penaga Industrial Park, 47610 Subang Jaya, Selangor Darul Ehsan held under title No. GM80, Lot 755 in Mukim of Damansara, District of Petaling, Negeri Selangor Darul Ehsan, for a total purchase consideration of RM31,000,000.

Accordingly, management had classified the said freehold land and buildings as asset classified as held for sale in accordance with the requirements of MFRS 5 *Non-current Assets Held for Sale and Discountinued Operations*.

	Group 2021 RM'000
At 1 May 2020	**–**
Reclassification from investment property (Note 9)	**24,672**
At 30 April 2021	**24,672**

20. SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares ('000)	Amount RM'000	Number of shares ('000)	Amount RM'000
Ordinary shares				
– issued and fully paid	**248,486**	**125,771**	248,486	125,771

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

There is no par value for these ordinary shares.

21. RESERVES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Exchange translation reserve	**4,514**	4,422	**–**	–
Retained earnings	**201,553**	163,259	**150,910**	132,952
	206,067	167,681	**150,910**	132,952

Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operation of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

22. BORROWINGS

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current liabilities					
Secured					
Term loan		**33,260**	35,000	**–**	–
Unsecured					
Term loan		**5,920**	–	**5,920**	–
	23	**39,180**	35,000	**5,920**	–
Current liabilities					
Secured					
Bank overdrafts		**4,605**	–	**–**	–
Term loans	23	**1,740**	–	**–**	–
Unsecured					
Bankers' acceptances		**109,680**	95,915	**106,060**	92,495
Revolving credits		**32,000**	36,000	**32,000**	36,000
Term loans	23	**1,480**	–	**1,480**	–
		149,505	131,915	**139,540**	128,495
Total borrowings					
Bank overdrafts		**4,605**	–	**–**	–
Bankers' acceptances		**109,680**	95,915	**106,060**	92,495
Revolving credits		**32,000**	36,000	**32,000**	36,000
Term loans	23	**42,400**	35,000	**7,400**	–
		188,685	166,915	**145,460**	128,495

(a) All borrowings are denominated in Ringgit Malaysia.

(b) The borrowings of the Group and of the Company bear the following interest rates per annum:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Bank overdrafts	**7.70**	–	**–**	–
Bankers' acceptances	**2.20 – 3.34**	2.94 – 4.33	**2.20 – 3.34**	2.94 – 4.33
Revolving credits	**2.94 – 6.01**	3.77 – 5.66	**2.94 – 6.01**	3.77 – 5.66
Term loans	**4.49 – 6.20**	6.20	**4.49**	–

(c) Bankers' acceptances and revolving credits are restricted by negative pledges. In addition, the bankers' acceptances of the subsidiary are guaranteed by a corporate guarantee given by the holding company.

22. BORROWINGS (CONT'D)

(d) The bank overdrafts of RM4,605,000 and term loan of RM35,000,000 are secured by:

(i) open all monies first party first legal charge over a leasehold land held under PT50021 Bandar Tasik Selatan, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan as disclosed in Note 15(b) to the financial statements;

(ii) open all monies general debenture over Pembinaan Serta Hebat Sdn. Bhd.'s present and future assets;

(iii) open all monies assignment over surplus proceeds of the proposed development and charger over designated Housing Development Account; and

(iv) a joint and several guarantee by a Director of Pembinaan Serta Hebat Sdn. Bhd.

(e) Information on financial risks of borrowings is disclosed in Note 39 to the financial statements.

23. TERM LOANS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Term loan I, repayable in five years instalments of RM1,480,000, commenced on 1 December 2020 and expiring on 1 December 2025	**7,400**	–	**7,400**	–
Term loan II, repayable in five years instalments of RM7,000,000, commenced on 1 January 2022 and expiring on 1 January 2027	**35,000**	35,000	**–**	–
	42,400	35,000	**7,400**	–
Current liability				
– not later than one (1) year	**3,220**	–	**1,480**	–
Non-current liability				
– later than one (1) year but not later than five (5) years	**39,180**	23,200	**5,920**	–
– later than five (5) years	**–**	11,800	**–**	–
	39,180	35,000	**5,920**	–
	42,400	35,000	**7,400**	–

24. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Other payable					
Amount owing to a corporate shareholder of a subsidiary	(c)	**9,271**	–	–	–
Current					
Trade payables					
Third parties		**42,358**	51,929	**34,282**	31,006
Related party		**11,726**	6,411	**7,871**	4,673
	(a)	**54,084**	58,340	**42,153**	35,679
Other payables					
Other payables		**10,823**	27,524	**8,904**	6,164
Accruals		**9,941**	6,800	**8,887**	5,884
Deposits received		**7,082**	5,095	**6,572**	4,512
Amounts owing to Directors of subsidiaries	(b)	**622**	–	–	–
Amounts owing to subsidiaries	(b)	–	–	**1,190**	751
Related parties	(b)	**26,741**	–	–	–
		55,209	39,419	**25,553**	17,311
Total trade and other payables (current)		**109,293**	97,759	**67,706**	52,990
Total trade and other payables (non-current and current)		**118,564**	97,759	**67,706**	52,990

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company are seven (7) to ninety (90) days (2020: seven (7) to ninety (90) days) from the date of invoice.

(b) Non-trade amounts owing to Directors of subsidiaries, subsidiaries and related parties represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand, except for an amount owing to a related party of RM23,294,311 which bears interest at 3.1% per annum.

(c) Non-current amount owing to a corporate shareholder of a subsidiary represents loan and advances amount, which is unsecured, bears interest at 3.1% per annum and is not repayable within the next twelve (12) months.

24. TRADE AND OTHER PAYABLES (CONT'D)

(d) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**104,839**	73,941	**54,083**	29,721
United States Dollar	**12,842**	22,842	**12,967**	22,824
Singapore Dollar	**757**	643	**530**	112
Others	**126**	333	**126**	333
	118,564	97,759	**67,706**	52,990

(e) Information on financial risks of trade and other payables is disclosed in Note 39 to the financial statements.

25. DERIVATIVE FINANCIAL LIABILITIES

	Group and Company 2021	
	Contract/ Notional amount Net short RM'000	**Liabilities RM'000**
Forward foreign exchange contracts	**(12,638)**	**31**

(a) The Group and the Company classify derivative financial instruments as financial liabilities at fair value through profit or loss.

(b) Forward currency contracts have been entered into to operationally hedge purchases denominated in foreign currency that were expected to realise or occur at various dates within one (1) month from the end of the reporting period. The forward currency contracts had maturity dates that coincide with the expected occurrence of these transactions. The fair value of these components had been determined based on the difference between the contracted rate and the forward exchange rate as applicable to a contract of similar amount and maturity profile at the end of the reporting period.

(c) The Group and the Company have recorded a charge to profit or loss pertaining to fair value loss on derivative instruments as disclosed in Note 29 to the financial statements.

(d) Information of the fair value hierarchy is disclosed in Note 38 to the financial statements.

(e) Information on financial risks of derivative financial liabilities were disclosed in Note 39 to the financial statements.

26. REVENUE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue from contracts with customers				
Sales of goods	**525,718**	456,027	**473,816**	414,451
Test rig services	**1,179**	1,158	**–**	–
Engineering services	**278**	–	**–**	–
	527,175	457,185	**473,816**	414,451
Timing of revenue recognition				
Transferred at a point in time	**527,175**	457,185	**473,816**	414,451

There is no significant financing component in the revenue arising from sales of products and services rendered as the products and services are made on the normal credit terms not exceeding twelve (12) months.

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 35 to the financial statements, which has been presented based on products and services and geographical location from which the sale transactions originated.

27. OTHER OPERATING INCOME

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Dividend income from:				
– other investment	**42**	53	**42**	53
– subsidiaries	**–**	–	**1,060**	4,208
Gain on disposals of property, plant and equipment	**–**	25	**347**	25
Interest income from:				
– deposits with licensed banks	**785**	918	**733**	632
– amounts owing by subsidiaries	**–**	–	**2,820**	1,985
Insurance claim recovery	**–**	9	**–**	9
Management service income from subsidiaries	**–**	–	**719**	661
Realised gain on foreign exchange	**18**	339	**–**	322
Rental income	**1,553**	1,804	**354**	323
Reversal of impairment losses:				
– trade receivables	**4,218**	82	**3,008**	51
– other receivables	**30**	131	**–**	123
– subsidiaries	**–**	–	**289**	325
Fair value gain on other investment	**745**	–	**745**	–
Sundry income	**2,269**	380	**1,403**	230
Unrealised gain on foreign exchange	**–**	74	**–**	68
	9,660	3,815	**11,520**	9,015

28. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fair value adjustment on non-current amounts owing by subsidiaries	**–**	–	**3,379**	1,351
Interest expense on:				
– amount owing to a corporate shareholder of a subsidiary	**301**	–	**–**	–
– bank overdrafts	**32**	5	**2**	5
– bankers' acceptances	**2,666**	4,322	**2,567**	4,185
– term loans	**120**	333	**114**	172
– lease liabilities	**219**	227	**276**	268
– related party	**600**	–	**–**	–
– revolving credits	**1,331**	1,775	**1,331**	1,775
	5,269	6,662	**7,669**	7,756

29. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration:				
– current year	**215**	209	**81**	80
– (over)/under-provision in prior years	**(3)**	5	**(2)**	3
– other service	**3**	3	**3**	3
Fair value loss/(gain) on:				
– derivative instruments	**31**	–	**31**	–
– other investment	**(745)**	252	**(745)**	252
Other receivables written off	**189**	112	**189**	112
Net loss/(gain) on disposals of property, plant and equipment	**10**	(25)	**(338)**	(25)
Net loss/(gain) on foreign exchange:				
– realised	**590**	(321)	**584**	(322)
– unrealised	**268**	(74)	**256**	(68)
Rental expenses on:				
– premises	**40**	103	**34**	85
– forklift and other equipment	**39**	56	**37**	40

30. TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expense based on profit for the financial year:				
Malaysian income tax				
– current year	**9,450**	3,093	**7,129**	2,070
– (over)/under provision in prior years	**(713)**	704	**(680)**	706
Foreign income tax				
– current year	**358**	312	**–**	–
– over-provision in prior years	**(115)**	(11)	**–**	–
	8,980	4,098	**6,449**	2,776
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	**(960)**	278	**(1,057)**	728
Under/(Over) provision in prior years	**436**	(161)	**682**	(291)
	(524)	117	**(375)**	437
Real property gains tax	**–**	(43)	**–**	(14)
	8,456	4,172	**6,074**	3,199

(a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2020: 24%) of the estimated taxable profits for the fiscal year.

(b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

30. TAX EXPENSE (CONT'D)

(c) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Profit before tax	**49,017**	6,690	**26,517**	3,623
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	**11,764**	1,606	**6,364**	870
Tax effects in respect of:				
Non-taxable income	**(1,795)**	(329)	**(854)**	(1,589)
Non-deductible expenses	**2,945**	4,170	**1,574**	4,405
Utilisation of investment tax allowance	**(1,012)**	(888)	**(1,012)**	(888)
Utilisation of deferred tax assets not recognised in prior years	**(188)**	–	**–**	–
Effects of different tax rate in foreign jurisdiction	**(230)**	(107)	**–**	–
Effects of share of profit of an associate	**(2,636)**	(1,226)	**–**	–
Deferred tax assets not recognised	**–**	457	**–**	–
(Over)/Under provision in prior years:				
– tax expense	**(828)**	693	**(680)**	706
– deferred tax	**436**	(161)	**682**	(291)
Real property gains tax arising from disposal of building	**–**	(43)	**–**	(14)
	8,456	4,172	**6,074**	3,199

(d) Tax on each component of other comprehensive income is as follows:

	Group		
	Before tax RM'000	**Tax effect RM'000**	**After tax RM'000**
2021			
Foreign currency translations	**92**	**–**	**92**
2020			
Foreign currency translations	25	–	25

(e) The Group and the Company are entitled to claim investment tax allowance under Section 127 (3A) of Income Tax Act, 1967. Investment tax allowance of RM4,217,000 (2020: RM3,700,000) is claimed during the financial year.

31. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	**2020**
Profit for the financial year attributable to owners of the parent (RM'000)	**41,209**	3,844
Average number of ordinary shares in issue at the beginning of financial year ('000)	**248,486**	248,486
Effect of:		
– Issuance of ordinary shares pursuant to bonus issue completed on 30 August 2021 ('000)	**186,365**	186,365
Weighted average number of ordinary shares in issue ('000)	**434,851**	434,851
Basic earnings per ordinary share (sen)	**9.48**	0.88

(b) Diluted

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

32. DIVIDENDS

	Group and Company			
	2021		**2020**	
	Dividend per share sen	**Amount of dividend RM'000**	**Dividend per share sen**	**Amount of dividend RM'000**
In respect of the financial year ended 30 April 2020:				
Single tier final dividend, paid on 16 October 2020	**1.00**	**2,485**	–	–
In respect of the financial year ended 30 April 2019:				
Single tier final dividend, paid on 18 October 2019	**–**	**–**	1.50	3,727

At the forthcoming Annual General Meeting, a first and final single tier dividend of 2.50 sen per ordinary share amounting to RM10,871,267 in respect of the current financial year will be proposed for shareholders' approval based on the enlarged share capital of 434,850,699 shares after three-for-four bonus issue which was completed on 30 August 2021. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 April 2022.

33. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries and bonuses	**38,433**	32,494	**31,578**	27,037
Defined contribution plans	**3,207**	2,731	**2,684**	2,277
Social security contributions	**379**	339	**328**	301
Others	**3,351**	2,169	**2,986**	1,997
	45,370	37,733	**37,576**	31,612

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

(i) direct and indirect subsidiaries as disclosed in Note 10 to the financial statements;

(ii) an associate as disclosed in Note 11 to the financial statements;

(iii) corporate shareholder of a subsidiary as disclosed in Note 24 to the financial statements;

(iv) companies in which the Directors of the Company have substantial financial interests; and

(v) key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with the related parties during the financial year:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Sales of products to subsidiaries:				
– LB Aluminium (Singapore) Pte. Ltd.	**–**	–	**29,428**	32,784
– LB Aluminium (Sarawak) Sdn. Bhd.	**–**	–	**1,114**	1,042
– ALBE Marketing Sdn. Bhd.	**–**	–	**715**	277
– ALBE Metal Sdn. Bhd.	**–**	–	**2,994**	2,512
– Facade Performance Lab Sdn. Bhd.	**–**	–	**2**	12
– SEMS Sdn. Bhd.	**–**	–	**49**	2
Purchases of products from subsidiaries:				
– LB Aluminium (Sarawak) Sdn. Bhd.	**–**	–	**5,682**	5,565
– ALBE Marketing Sdn. Bhd.	**–**	–	**303**	432
– ALBE Metal Sdn. Bhd.	**–**	–	**511**	449
– SEMS Sdn. Bhd.	**–**	–	**4,518**	1,524
Sales of dies to a subsidiary:				
– LB Aluminium (Sarawak) Sdn. Bhd.	**–**	–	**467**	404
Management and administrative fees from subsidiaries:				
– LB Aluminium (Sarawak) Sdn. Bhd.	**–**	–	**300**	300
– LB Aluminium (Singapore) Pte. Ltd.	**–**	–	**191**	189
– ALBE Marketing Sdn. Bhd.	**–**	–	**72**	72
– ALBE Metal Sdn. Bhd.	**–**	–	**72**	72
– Facade Performance Lab Sdn. Bhd.	**–**	–	**24**	8
– SEMS Sdn. Bhd.	**–**	–	**60**	20
Rental of premises paid to a related party:				
– Ritecorp Sdn. Bhd.	**60**	60	**60**	60
Dividend income from subsidiaries:				
– LB Aluminium (Singapore) Pte. Ltd.	**–**	–	**610**	3,478
– Rank Metal Sdn. Bhd.	**–**	–	**100**	180
– Poly Acres Sdn. Bhd.	**–**	–	**350**	550

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with the related parties during the financial year (cont'd):

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Interest income from subsidiaries:				
– LB Aluminium (Sarawak) Sdn. Bhd.	**–**	–	**268**	485
– ALBE Metal Sdn. Bhd.	**–**	–	**1,500**	1,500
– Citajaya Kuasa Sdn. Bhd.	**–**	–	**624**	–
– Greentech Paramount Sdn. Bhd.	**–**	–	**428**	–
Rental income from subsidiaries:				
– Facade Performance Lab Sdn. Bhd.	**–**	–	**53**	18
– SEMS Sdn. Bhd.	**–**	–	**144**	54
Rental of premises paid to subsidiaries:				
– Poly Acres Sdn. Bhd.	**–**	–	**560**	700
– Omega Pesona Sdn. Bhd.	**–**	–	**341**	271
– Rank Metal Sdn. Bhd.	**–**	–	**159**	199
Interest expense paid to a corporate shareholder of a subsidiary:				
– MW Urban Development Sdn. Bhd.	**301**	–	**–**	–
Interest expense paid to a related party:				
– Platinum Victory Development Sdn. Bhd.	**600**	–	**–**	–
Sales of products to a related party:				
– Formosa Shyen Horng Metal Sdn. Bhd.	**–**	1,660	**–**	1,660
Purchases of products from a related party:				
– Formosa Shyen Horng Metal Sdn. Bhd.	**124,570**	82,494	**111,223**	73,807

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

Information regarding outstanding balances arising from related party transactions as at 30 April 2021 are disclosed in Notes 16 and 24 to the financial statements.

34. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year were as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
(i) Directors				
Directors of the Company				
Executive Directors:				
Short-term employee benefits:				
– fees	**160**	160	**160**	160
– salaries, bonuses and other benefits*	**3,243**	3,078	**2,764**	2,650
– defined contribution plan	**312**	311	**312**	311
	3,715	3,549	**3,236**	3,121
Non-Executive Directors:				
– fees	**240**	240	**240**	240
– other benefits	**22**	16	**22**	16
Total	**3,977**	3,805	**3,498**	3,377
Directors of the subsidiaries				
Executive Directors:				
Short-term employee benefits:				
– salaries, bonuses and other benefits*	**1,393**	1,184	**–**	–
– defined contribution plan	**173**	150	**–**	–
Total	**1,566**	1,334	**–**	–
Total Directors' remuneration	**5,543**	5,139	**3,498**	3,377

* *Salaries, bonuses and other benefits included bonus paid during the financial year.*

	Group 2021	Group 2020	Company 2021	Company 2020
(ii) Other key management personnel				
Short-term employee benefits	**729**	763	**729**	763
Defined contribution plan	**91**	87	**91**	87
Total compensation for other key management personnel	**820**	850	**820**	850

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors of the Company were RM48,700 (2020: RM45,925).

35. OPERATING SEGMENTS

The Group is principally involved in manufacturing, marketing and trading of aluminium extrusions and other metal products and property development. Its operating segments are presented based on products and services. The performance of each segment is measured based on the internal management report reviewed by chief operating decision maker.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

(a) Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

2021	Note	Aluminium RM'000	Property development RM'000	Total RM'000
Revenue				
Total revenue		575,251	–	575,251
Inter-segment revenue		(48,076)	–	(48,076)
Revenue from external customers		527,175	–	527,175
Results				
Interest income		758	27	785
Finance costs		(5,233)	(36)	(5,269)
Share of results of an associate		–	10,980	10,980
Depreciation of property, plant and equipment		(12,531)	(25)	(12,556)
Depreciation of right-of-use assets		(3,022)	(30)	(3,052)
Depreciation of investment property		(121)	–	(121)
Other items of income	(a)(i)	8,875	–	8,875
Other expenses	(a)(ii)	(3,036)	–	(3,036)
Segment profit before tax		39,254	9,763	49,017
Tax expense		8,456	–	8,456
Segment assets		553,449	114,083	667,532
Segment liabilities		229,028	82,022	311,050

35. OPERATING SEGMENTS (CONT'D)

(a) Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group (cont'd).

2020	Note	Aluminium RM'000	Property development RM'000	Total RM'000
Revenue				
Total revenue		507,837	–	507,837
Inter-segment revenue		(50,652)	–	(50,652)
Revenue from external customers		457,185	–	457,185
Results				
Interest income		659	259	918
Finance costs		(6,496)	(166)	(6,662)
Share of results of an associate		–	5,107	5,107
Depreciation of property, plant and equipment		(12,337)	(10)	(12,347)
Depreciation of right-of-use assets		(1,318)	(35)	(1,353)
Depreciation of investment property		(121)	–	(121)
Other items of income	(a)(i)	2,636	261	2,897
Other expenses	(a)(ii)	(12,198)	–	(12,198)
Segment profit before tax		4,020	2,670	6,690
Tax expense		4,172	–	4,172
Segment assets		477,934	105,850	583,784
Segment liabilities		214,456	54,756	269,212

35. OPERATING SEGMENTS (CONT'D)

(a) Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group (cont'd).

(i) Other items of income consist of the following:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Dividend income from other investment	**42**	53
Gain on disposals of property, plant and equipment	**–**	25
Insurance claim recovery	**–**	9
Fair value gain on other investment	**745**	–
Realised gain on foreign exchange	**18**	339
Rental income	**1,553**	1,804
Reversal of impairment losses on:		
– trade receivables	**4,218**	82
– other receivables	**30**	131
Sundry income	**2,269**	380
Unrealised gain on foreign exchange	**–**	74
	8,875	2,897

(ii) Other expenses consist of the following:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Fair value losses on:		
– derivative instruments	**31**	–
– other investment	**–**	252
Impairment losses on:		
– trade receivables	**1,410**	5,348
– other receivables	**1**	12
Inventories written down	**19**	6,180
Loss on disposals of property, plant and equipment	**10**	–
Realised loss on foreign exchange	**608**	18
Rental expenses on:		
– premises	**40**	103
– other equipment	**39**	41
Unrealised loss on foreign exchange	**268**	–
Written off of:		
– inventories	**99**	75
– property, plant and equipment	**322**	57
– other receivables	**189**	112
	3,036	12,198

35. OPERATING SEGMENTS (CONT'D)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	Group	
	2021 RM'000	2020 RM'000
Revenue		
Total revenue for reportable segments	**575,251**	507,837
Elimination of inter-segment revenue	**(48,076)**	(50,652)
Revenue of the Group per statements of profit or loss and other comprehensive income	**527,175**	457,185
Profit for the financial year		
Total profit or loss for reportable segments	**49,017**	6,690
Tax expense	**(8,456)**	(4,172)
Profit for the financial year of the Group per statements of profit or loss and other comprehensive income	**40,561**	2,518
Assets		
Total assets for reportable segments	**667,532**	583,784
Tax assets	**308**	955
Assets of the Group per statements of financial position	**667,840**	584,739
Liabilities		
Total liabilities for reportable segments	**311,050**	269,212
Tax liabilities	**24,271**	21,343
Liabilities of the Group per statements of financial position	**335,321**	290,555

(c) Geographical information

The Group operates mainly in Malaysia and Singapore.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers. The composition of each geographical segment is Malaysia, Singapore, North America and others [(1)].

[(1)] *Others represent the sales of finished goods to China and South Asia, Australia and New Zealand as well as South East Asia.*

35. OPERATING SEGMENTS (CONT'D)

(c) Geographical information (cont'd)

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include financial instruments and deferred tax assets.

	Group	
	2021 RM'000	2020 RM'000
Revenue from external customers		
Malaysia	**343,404**	289,711
Singapore	**36,160**	34,712
North America	**112,343**	86,942
Others	**35,268**	45,820
	527,175	457,185
Non-current assets		
Malaysia	**226,017**	244,865
Singapore	**1,799**	1,896
	227,816	246,761

Major customer

There is no customer with revenue equal to or more than ten (10) percent of the revenue of the Group.

36. COMMITMENTS

(a) Operating lease commitment

The Group and the Company as a lessor

Non-cancellable operating lease receivable are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Not later than one (1) year	**671**	1,503	**46**	51
Later than one (1) year but not later than five (5) years	**–**	438	**–**	–
	671	1,941	**46**	51

36. COMMITMENTS (CONT'D)

(b) Capital commitment

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Approved but not contracted for				
Property, plant and equipment	**12,557**	10,105	**12,557**	10,105
Contracted but not provided for				
Property, plant and equipment	**222**	220	**222**	220

37. CONTINGENT LIABILITIES

	Company	
	2021 RM'000	2020 RM'000
Corporate guarantees given to banks for credit facilities granted to subsidiaries – unsecured		
– Limit of guarantee	**14,100**	14,100
– Amount utilised	**3,620**	3,420
Corporate guarantees given to third parties for supplies of goods and services to a subsidiary – unsecured		
– Limit of guarantee	**2,000**	2,000
– Amount utilised	**95**	241

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries and third parties for supplies of goods and services to a subsidiary as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the banks and the third parties to call upon the corporate guarantees are remote.

38. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group and of the Company is to ensure that entities of the Group would be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of the debt and equity ratio. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group and the Company manage their capital structure and make adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 April 2021 and 30 April 2020.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital. The Group and the Company regularly reviews the gearing ratio to ensure they are at acceptable levels and within industry norms. Net debts are calculated as total borrowings and lease liabilities owing to financial institutions less short term fund and cash and bank balances. Capital represents equity attributable to the owners of the parent. A detailed calculation of the net debt is shown below:

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings	22	**188,685**	166,915	**145,460**	128,495
Lease liabilities owing to financial institutions	8	**222**	308	**–**	–
Less:					
– Short term fund	17	**(27,791)**	(13,327)	**(27,791)**	(13,327)
– Cash and bank balances	18	**(36,470)**	(35,011)	**(30,648)**	(20,918)
Net debt		**124,646**	118,885	**87,021**	94,250
Total capital		**331,838**	293,452	**276,681**	258,723
Gearing ratio		**38%**	41%	**31%**	36%

Pursuant to the requirements of Practice Note No. 17/2005 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 30 April 2021.

The Group is not subject to any other externally imposed capital requirements.

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of financial instruments

Group 2021	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial assets			
Trade and other receivables, net of prepayments	**124,405**	**–**	**124,405**
Short term fund	**–**	**27,791**	**27,791**
Cash and bank balances	**36,470**	**–**	**36,470**
Other investment	**–**	**1,596**	**1,596**
	160,875	**29,387**	**190,262**
Financial liabilities			
Trade and other payables	**118,564**	**–**	**118,564**
Borrowings	**188,685**	**–**	**188,685**
Derivative financial liabilities	**–**	**31**	**31**
	307,249	**31**	**307,280**

Group 2020	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial assets			
Trade and other receivables, net of prepayments	95,550	–	95,550
Short term fund	–	13,327	13,327
Cash and bank balances	35,011	–	35,011
Other investment	–	851	851
	130,561	14,178	144,739

Group 2020	Amortised cost RM'000	Total RM'000
Financial liabilities		
Trade and other payables	97,759	97,759
Borrowings	166,915	166,915
	264,674	264,674

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of financial instruments (cont'd)

Company 2021	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial assets			
Trade and other receivables, net of prepayments	**163,258**	**–**	**163,258**
Short term fund	**–**	**27,791**	**27,791**
Cash and bank balances	**30,648**	**–**	**30,648**
Other investment	**–**	**1,596**	**1,596**
	193,906	**29,387**	**223,293**
Financial liabilities			
Trade and other payables	**67,706**	**–**	**67,706**
Borrowings	**145,460**	**–**	**145,460**
Derivative financial liabilities	**–**	**31**	**31**
	213,166	**31**	**213,197**

Company 2020	Amortised cost RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial assets			
Trade and other receivables, net of prepayments	145,709	–	145,709
Short term fund	–	13,327	13,327
Cash and bank balances	20,918	–	20,918
Other investment	–	851	851
	166,627	14,178	180,805

Company 2020	Amortised cost RM'000	Total RM'000
Financial liabilities		
Trade and other payables	52,990	52,990
Borrowings	128,495	128,495
	181,485	181,485

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, current portion of amounts owing by subsidiaries, trade and other payables and borrowings, are reasonable approximation of fair value either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Non-current amounts owing by subsidiaries, non-current amount owing to a corporate shareholder of a subsidiary and long-term borrowing

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market incremental borrowing rates for similar types of lending at the end of the reporting period.

(iii) Short term fund and other investment

The fair values of short term fund and other investment are determined by reference to the exchange quoted market bid price at the close of the business at the end of each reporting period.

(iv) Derivative financial liabilities

The fair value of the derivatives are determined by using mark-to-market values at the end of the reporting date and changes in the fair value are recognised in profit or loss.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of non-derivative financial liabilities of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below:

Financial instrument	Valuation technique used	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value
Financial assets			
Non-current amounts owing by subsidiaries	Discounted cash flows method	Discount rates (3.1% – 6.0%)	The higher the discount rate, the lower the fair value of the assets would be.
Financial liability			
Non-current amount owing to a corporate shareholder of a subsidiary	Discounted cash flows method	Discount rates (3.1%)	The higher the discount rate, the lower the fair value of the liability would be.

The following table sets out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amount shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
Financial assets								
Financial assets at fair value through profit or loss								
Other investment								
– quoted shares in Malaysia	1,596	-	-	-	-	-	1,596	1,596
Short term fund	27,791	-	-	-	-	-	27,791	27,791
Financial liabilities								
Term loans	-	-	-	-	34,245	-	34,245	42,400
Non-current amount owing to a corporate shareholder of a subsidiary	-	-	-	-	-	8,460	8,460	9,271
Derivative financial liabilities								
– forward currency contracts	-	31	-	-	-	-	31	31

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The following table sets out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amount shown in the statements of financial position (cont'd).

Group 2020	Fair value of financial instruments carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Financial assets								
Financial assets at fair value through profit or loss								
Other investment								
– quoted shares in Malaysia	851	–	–	–	–	–	851	851
Investment property	–	–	–	–	–	33,000	33,000	24,793
Short term fund	13,327	–	–	–	–	–	13,327	13,327
Financial liability								
Term loan	–	–	–	–	26,520	–	26,520	35,000

Company 2021	Fair value of financial instruments carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Financial assets								
Amortised cost								
Amounts owing by subsidiaries (non-current)	**-**	**-**	**-**	**-**	**-**	**60,556**	**60,556**	**60,556**
Financial assets at fair value through profit or loss								
Other investment								
– quoted shares in Malaysia	**1,596**	**-**	**-**	**-**	**-**	**-**	**1,596**	**1,596**
Short term fund	**27,791**	**-**	**-**	**-**	**-**	**-**	**27,791**	**27,791**
Financial liabilities								
Term loans	**-**	**-**	**-**	**-**	**6,223**	**-**	**6,223**	**7,400**
Derivative financial liabilities								
– forward currency contracts	**-**	**31**	**-**	**-**	**-**	**-**	**31**	**31**

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The following table sets out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amount shown in the statements of financial position (cont'd).

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value				
Company 2020	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
Financial assets								
Amortised cost								
Amounts owing by subsidiaries (non-current)	–	–	–	–	–	51,475	51,475	51,475
Financial assets at fair value through profit or loss								
Other investment								
– quoted shares in Malaysia	851	–	–	–	–	–	851	851
Short term fund	13,327	–	–	–	–	–	13,327	13,327

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for the shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group and the Company are exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign exchange risk and market risk. It is, and has been throughout for the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. In order to manage this risk, it is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. Each customer has a maximum credit limit and the Group seeks to minimise and monitor the credit risk via strictly limiting the associations to business customers with high creditworthiness. Trade receivables are monitored on an ongoing basis through the management reporting procedures of the Group.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of each reporting period, other than the amounts owing by the subsidiaries amounting to RM61,358,000 (2020: RM66,805,000), which represent 37% (2020: 46%) of trade and other receivables of the Company, there is no significant concentration of credit risk of the Group and of the Company.

Information regarding trade and other receivables is disclosed in Note 16 to the financial statements.

The Group does not have any significant concentration of credit risk related to any individual customers or counterparty as at the end of the reporting year. In addition, the Group also determines concentration of credit risk by monitoring the currency of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:

	Group			
	2021		**2020**	
	RM'000	**% of total**	**RM'000**	**% of total**
Malaysia	**102,630**	**89**	74,846	85
Singapore	**6,014**	**5**	6,747	8
United States	**6,420**	**6**	6,596	7
Others	*****	*****	*	*
	115,064	**100**	88,189	100

	Company			
	2021		**2020**	
	RM'000	**% of total**	**RM'000**	**% of total**
Malaysia	**94,161**	**94**	67,480	90
Singapore	**143**	*****	1,454	2
United States	**5,888**	**6**	6,425	8
	100,192	**100**	75,359	100

* *Amount is less than 1%*

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Prudent liquidity risk management is applied by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining the flexibility in funding by keeping committed credit lines available.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

As at 30 April 2021	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Trade and other payables	109,293	9,405	–	118,698
Lease liabilities	1,636	2,109	90	3,835
Borrowings	151,812	41,609	–	193,421
Derivative financial liabilities	31	–	–	31
Total undiscounted financial liabilities	262,772	53,123	90	315,985
Company				
Financial liabilities				
Trade and other payables	67,706	–	–	67,706
Lease liabilities	2,373	2,541	56	4,970
Borrowings	141,582	7,859	–	149,441
Derivative financial liabilities	31	–	–	31
Total undiscounted financial liabilities	211,692	10,400	56	222,148

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations (cont'd).

As at 30 April 2020	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Trade and other payables	97,759	–	–	97,759
Lease liabilities	1,725	2,951	338	5,014
Borrowings	135,475	29,804	12,477	177,756
Total undiscounted financial liabilities	234,959	32,755	12,815	280,529
Company				
Financial liabilities				
Trade and other payables	52,990	–	–	52,990
Lease liabilities	2,342	3,338	196	5,876
Borrowings	129,806	–	–	129,806
Total undiscounted financial liabilities	185,138	3,338	196	188,672

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instrustment of the Group and the Company would fluctuate because of changes in market interest rates.

The Group's and the Company's deposits placed with licensed banks, lease liabilities and borrowings are exposed to a risk of changes in their fair values due to changes in market interest rates. The Group's and the Company's borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not exposed to interest rate risk.

The Group and the Company borrow for operations at fixed and variable rates using term loans, trade financing facilities and lease liabilities. There is no formal hedging policy with respect to interest rate exposure.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group At 30 April 2021	Note	Average effective interest rate %	Total RM'000	Within 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
Fixed rates									
Deposits with licensed banks	18	**1.20 – 1.63**	**18,710**	**18,710**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	8	**2.52 – 5.50**	**(3,770)**	**(1,495)**	**(1,171)**	**(588)**	**(240)**	**(105)**	**(171)**
Amount owing to a corporate shareholder of a subsidiary	24	**3.10**	**(9,271)**	**–**	**–**	**(9,271)**	**–**	**–**	**–**
Term loans	23	**4.49 – 6.20**	**(42,400)**	**(3,220)**	**(8,440)**	**(8,440)**	**(8,440)**	**(13,860)**	–
Floating rates									
Bank overdrafts	22	**7.70**	**(4,605)**	**(4,605)**	**–**	**–**	**–**	**–**	**–**
Bankers' acceptances	22	**2.20 – 3.34**	**(109,680)**	**(109,680)**	**–**	**–**	**–**	**–**	**–**
Revolving credit	22	**2.94 – 6.01**	**(32,000)**	**(32,000)**	**–**	**–**	**–**	**–**	**–**

Group At 30 April 2020	Note	Average effective interest rate %	Total RM'000	Within 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
Fixed rates									
Deposits with licensed banks	18	2.20	1,000	1,000	–	–	–	–	–
Lease liabilities	8	2.52 – 5.50	(4,538)	(1,526)	(1,342)	(709)	(477)	(178)	(306)
Term loan	23	6.20	(35,000)	–	(2,320)	(6,960)	(6,960)	(6,960)	(11,800)
Floating rates									
Bankers' acceptances	22	2.94 – 4.33	(95,915)	(95,915)	–	–	–	–	–
Revolving credit	22	3.77 – 5.66	(36,000)	(36,000)	–	–	–	–	–

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk (cont'd):

Company At 30 April 2021	Note	Average effective interest rate %	Total RM'000	Within 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
Fixed rates									
Deposits with licensed banks	18	**1.20 – 1.63**	**16,010**	**16,010**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	8	**4.49 – 5.50**	**(4,668)**	**(2,197)**	**(1,580)**	**(558)**	**(208)**	**(72)**	**(53)**
Amounts owing by subsidiaries	16	**3.10 – 6.00**	**60,556**	**–**	**–**	**25,000**	**18,299**	**15,548**	**1,709**
Term loan	23	**4.49**	**(7,400)**	**(1,480)**	**(1,480)**	**(1,480)**	**(1,480)**	**(1,480)**	**–**
Floating rates									
Bankers' acceptances	22	**2.20 – 3.34**	**(106,060)**	**(106,060)**	**–**	**–**	**–**	**–**	**–**
Revolving credit	22	**2.94 – 6.01**	**(32,000)**	**(32,000)**	**–**	**–**	**–**	**–**	**–**

Company At 30 April 2020	Note	Average effective interest rate %	Total RM'000	Within 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	More than 5 years RM'000
Fixed rates									
Deposits with licensed banks	18	2.20	1,000	1,000	–	–	–	–	–
Lease liabilities	8	5.50	(5,406)	(2,108)	(1,852)	(679)	(446)	(145)	(176)
Amounts owing by subsidiaries	16	5.50 – 6.00	51,475	347	329	6,302	33,417	10,294	786
Floating rates									
Bankers' acceptances	22	2.94 – 4.33	(92,495)	(92,495)	–	–	–	–	–
Revolving credit	22	3.77 – 5.66	(36,000)	(36,000)	–	–	–	–	–

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of reporting period changed by 50 basis points with all other variables held constant:

	Group		Company	
	2021 RM'000 Profit after tax	**2020 RM'000 Profit after tax**	**2021 RM'000 Profit after tax**	**2020 RM'000 Profit after tax**
Floating rates				
Increase by 0.5% (2020: 0.5%)	**(495)**	(517)	**(485)**	(509)
Decrease by 0.5% (2020: 0.5%)	**495**	517	**485**	509

The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange rate risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. Information regarding the currency exposure profile of cash and bank balances is disclosed in Note 18 to the financial statements.

The Group enters into forward foreign currency contracts for its foreign currency exposures and the management monitors these exposures on an ongoing basis.

During the financial year, the Group entered into foreign currency forward contracts to manage exposures to currency risk for trade payables which were denominated in currency other than the functional currency of the Group.

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at 30 April 2021 is as follows:

2021	**Currency**	**Contract amount in foreign currency '000**	**RM'000 equivalent**	**Maturities within**
Forward contracts used to hedge trade payables	**USD**	**3,069**	**12,638**	**1 month**

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's and of the Company's profit after tax to a reasonably possible change in the USD and SGD exchange rates against the Ringgit Malaysia ("RM") respectively, with all other variables held constant. 5% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes outstanding balances denominated in foreign currencies.

	Group		Company	
	2021 RM'000 Profit after tax	**2020 RM'000 Profit after tax**	**2021 RM'000 Profit after tax**	**2020 RM'000 Profit after tax**
USD/RM:				
– strengthened by 5% (2020: 5%)	**54**	74	**33**	68
– weakened by 5% (2020: 5%)	**(54)**	(74)	**(33)**	(68)
SGD/RM:				
– strengthened by 5% (2020: 5%)	**285**	267	**6**	51
– weakened by 5% (2020: 5%)	**(285)**	(267)	**(6)**	(51)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not explained above.

(e) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risks arising from other investment and short term funds quoted in Malaysia. These instrument are classified as financial assets designated at fair value through profit or loss.

At the end of each reporting period, the maximum exposure of the Group and of the Company to market risk is represented by the total carrying amount of this financial asset recognised in the statements of financial position, which amounted to RM29,387,000 (2020: RM13,327,000). There has been no change to the exposure of the Group and of the Company to market risk or the manner in which the risk is managed and measured.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Market risk (cont'd)

Sensitivity analysis for market risk

The following table demonstrates the sensitivity of the Group and of the Company to the changes in market quoted prices for unit trust fund and other investment at the end of the reporting period, with all other variables held constant:

	Group		Company	
	2021 RM'000 Profit after tax	**2020 RM'000 Profit after tax**	**2021 RM'000 Profit after tax**	**2020 RM'000 Profit after tax**
Effects of 100bp changes in market quoted prices to profit after tax				
– Other investment	**12**	6	**12**	6
– Short term fund	**211**	101	**211**	101

40. ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group and the Company completed the following acquisition of subsidiaries:

(i) Acquisition of Pembinaan Serta Hebat Sdn. Bhd. ("PSHSB")

On 16 May 2019, a subsidiary of the Company, Greentech Paramount Sdn. Bhd. subscribed for 50.06% of equity interest comprising 2,005,000 ordinary shares in PSHSB for a cash consideration of RM2,005,000. Consequently, the Company became the ultimate holding company of PSHSB.

Group	**2020 RM'000**
Property, plant and equipment	10
Inventories	2,513
Other receivables	2,346
Cash and bank balances	44,260
Total identifiable assets	49,129
Trade and other payables	(46,636)
Total identifiable net assets	2,493
Non-controlling interests	(1,245)
Goodwill on consolidation	757
Total cost of acquisition	2,005

40. ACQUISITION OF SUBSIDIARIES (CONT'D)

In the previous financial year, the Group and the Company completed the following acquisition of subsidiaries: (cont'd)

(i) Acquisition of Pembinaan Serta Hebat Sdn. Bhd. ("PSHSB") (cont'd)

The effects of the acquisition of PSHSB on cash flow are as follows:

Group	2020 RM'000
Consideration settled in cash	2,005
Less: Cash and cash equivalents of subsidiary acquired	(44,260)
Net cash inflow of the Group on acquisition	42,255

PSHSB has contributed the following results to the Group for the financial year ended 30 April 2020 from the acquisition date.

	2020 RM'000
Revenue	–
Loss for the financial year	2,429

(ii) Acquisition of SEMS Sdn. Bhd. ("SEMS")

On 27 November 2019, the Company subscribed for 60% of equity interest comprising 60,000 ordinary shares in SEMS Sdn. Bhd. ("SEMS") for a cash consideration of RM2,200,000. Consequently, the Company became the holding company of SEMS.

Group	2020 RM'000
Property, plant and equipment	416
Right-of-use assets	284
Inventories	7
Trade and other receivables	593
Cash and bank balances	642
Total identifiable assets	1,942
Lease liabilities	(181)
Deferred tax liabilities	(34)
Trade and other payables	(949)
Total identifiable net assets	778
Non-controlling interests	(311)
Goodwill on consolidation	1,733
Total cost of acquisition	2,200

40. ACQUISITION OF SUBSIDIARIES (CONT'D)

(ii) Acquisition of SEMS Sdn. Bhd. ("SEMS") (cont'd)

The effects of the acquisition of SEMS on cash flow are as follows:

Group	2020 RM'000
Consideration settled in cash	2,200
Less: Cash and cash equivalents of subsidiary acquired	(642)
Net cash outflow of the Group on acquisition	(1,558)

SEMS has contributed the following results to the Group for the financial year ended 30 April 2020 from the acquisition date.

Group	2020 RM'000
Revenue	1,556
Loss for the financial year	(266)

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO based on the severity of the pandemic.

The management has assessed the financial impact on the Group and the Company and are of the opinion that there were no material financial impact arising from the pandemic during the financial year and until the date of the authorisation of the financial statements. In addition, to mitigate its potential risks exposure, the Group and the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group and the Company has sufficient cash flows to meet its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group and the Company does not anticipate significant supply disruptions and would continue to monitor its fund and operational needs.

(b) On 17 May 2021, a wholly-owned subsidiary of the Group entered into a TSPA with TPESB and the existing tenant of the property, FTESB for the disposal of a parcel of freehold land together with all those industrial buildings and structures erected thereon within Lot 755, Jalan Subang 3, Sungai Penaga Industrial Park, 47610 Subang Jaya, Selangor Darul Ehsan held under title No. GM80, Lot 755 in Mukim of Damansara, District of Petaling, Negeri Selangor Darul Ehsan, for a total purchase consideration of RM31,000,000. The transaction has not been completed as at the date of this report.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONT'D)

(c) On 6 July 2021, the Company announced to undertake the proposed bonus issue of up to 186,364,750 new ordinary shares in the Company ("LB Aluminium Berhad Share(s)") ("Bonus Share(s)") to be credited as fully paid-up, on the basis of three (3) Bonus Shares for every four (4) existing LB Aluminium Berhad shares held by the entitled shareholders of LB Aluminium Berhad ("Proposed Bonus Issue"). The Proposed Bonus Issue was completed on 30 August 2021.

Accordingly, the enlarged issued and fully paid-up ordinary share capital of the Company is now RM125,771,000 comprising 434,850,699 ordinary shares.

42. FINANCIAL REPORTING UPDATES

42.1 IFRIC Agenda Decision – Over time transfer of constructed good (IAS 23)

The IFRS Interpretations Committee ("IFRIC") received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

i. Any receivable and contract asset that the entity recognises is not a qualifying asset.
ii. Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 30 April 2022.

42.2 IFRIC Agenda Decision – An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ("IFRIC") issued a final agenda decision on 26 November 2019 regarding 'Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)'.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the financial year ended 30 April 2021. There is no material impact on the financial statements of the Group as at the end of reporting period.

No.	Location	Approximate Age of Building Year	Tenure	Land Area/ (Built Up Area) sq. ft.	Description	Net Book Value as at 30.4.2021 RM'000	Date of Revaluation/ Acquisition*
1	Lot 11, Jalan Perusahaan 1 Kawasan Perusahaan Beranang 43700 Beranang Selangor Darul Ehsan	30	Leasehold 99 years expiring on 9.10.2099	167,982 (96,046)	Factory complex: Industrial land with single storey factory, 3-storey office block and warehouse	7,570	1.5.2011
2	Lot No 2.08 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	24	Freehold	248,216 (139,324)	Industrial complexes comprising warehouse 1, 2 and 3; anodising factory 1 and 2; powder coating factory	15,413	1.5.2011
3	Lot No. 2.11 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	20	Freehold	– (14,104)	Die shop	7,340	1.5.2011
	Lot No. 2.11 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	18	Freehold	– (64,088)	4-storey office building		
4	Lot No. 2.12 and 2.13 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	16	Freehold	176,557 (92,115)	A single storey warehouse with an annexed single storey loading bay with covered parking lot	11,653	1.5.2011
5	Lot No. 2.13A Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	16	Freehold	– (46,830)	Single storey warehouse annexed with double storey office	5,790	1.5.2011
6	Lot No. 2.46 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	14	Freehold	51,666 (24,664)	Single storey factory	2,951	1.5.2011
7	PT15145 HSD172073 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	6	Freehold	– (85,470)	Single storey warehouse annexed with double storey office	7,043	1.5.2011
8	PT15145 HSD172073 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	10	Freehold	– (107,360)	1½-storey factory with 2-storey utility building	13,646	1.5.2011

No.	Location	Approximate Age of Building Year	Tenure	Land Area/ (Built Up Area) sq. ft.	Description	Net Book Value as at 30.4.2021 RM'000	Date of Revaluation/ Acquisition*
9	PT20470 HSD184914 Jalan Perindustrian Mahkota 3/F Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	2	Freehold	- (39,127)	Single storey warehouse with 1½-storey office building	8,230	1.1.2020*
10	Lot 241 (PT 1075) Tingkat Perusahaan 6 Kawasan Perusahaan Perai 13600 Perai Pulau Pinang	28	Leasehold 60 years expiring on 21.2.2042	24,840 (11,875)	Industrial land with factory building and warehouse	809	1.5.2011
11	No. 4, Jalan IM3/6 Kawasan Perindustrian Sektor 1 Indera Mahkota Bandar Indera Mahkota 25000 Kuantan Pahang Darul Makmur	22	Leasehold 66 years expiring on 5.3.2062	44,844 (17,610)	A single storey warehouse cum office building	1,358	1.5.2011
12	Block C-18-1 Megan Avenue II No. 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	23	Freehold	- (2,454)	A corner office suite Corporate office	938	1.5.2011
13	Seri Mutiara Apartment B-09-05, Jalan Persiaran Seri Alam Bandar Baru Seri Alam 81750 Masai Johor Darul Takzim	24	Freehold	- (840)	An apartment suite (1-bedroom) Vacant	70	1.5.2011
14	No. E-3-2, 3rd Floor Taman Pangsapuri Malim Balai Panjang 75250 Melaka	24	Freehold	- (850)	3-storey walk-up apartment Vacant	44	1.5.2011
15	No. 7 Jalan TTS 4/8 Taman Tasik Semenyih 43500 Semenyih Selangor Darul Ehsan	26	Leasehold 99 years expiring on 5.11.2094	3,154 (1,275)	Single storey bungalow house Staff hostel	139	1.5.2011
16	Lot 2038 College Heights Garden Resort Lot 21254 (PT14145) 71700 Pajam Negeri Sembilan Darul Khusus	N/A	Freehold	9,291 -	Vacant residential land	90	1.5.2011
17	Lot 2039 College Heights Garden Resort Lot 21255 (PT14146) 71700 Pajam Negeri Sembilan Darul Khusus	N/A	Freehold	9,289 -	Vacant residential land	90	1.5.2011

No.	Location	Approximate Age of Building Year	Tenure	Land Area/ (Built Up Area) sq. ft.	Description	Net Book Value as at 30.4.2021 RM'000	Date of Revaluation/ Acquisition*
18	Unit No. 707, Block F Pusat Dagangan Phileo Damansara I No. 9, Jalan 16/11 Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan	5	Freehold	– (2,121)	An office lot Tenanted	757	18.7.2015*
19	B-29-03, Setia City Residences No. 6 Jalan Setia Dagang AH U13/AH Setia Alam, Seksyen U13 40170 Shah Alam Selangor Darul Ehsan	3	Freehold	– (1,221)	Apartment Vacant	678	15.3.2021*
20	09-12 Blok B Residensi Laman Lapan Jalan Sutera Kuning, Taman Sutera 81200 Johor Bahru Johor Darul Takzim	6	Freehold	– (808)	Apartment Vacant	334	13.4.2021*
The properties leased by LB Aluminium Berhad and its subsidiaries are as follows:-							
21	Lot PLO 206 (PTD64090) No. 14, Jalan Angkasa Mas 5 Kawasan Perindustrian Tebrau II 81100 Johor Bahru Johor Darul Takzim [1]	28	Leasehold 60 years expiring on 14.4.2053	21,775 (12,782)	Industrial land with single storey factory annexed with 3-storey office	688	1.5.2011
22	Lot PLO 207 (PTD64089) No. 18, Jalan Angkasa Mas 5 Kawasan Perindustrian Tebrau II 81100 Johor Bahru Johor Darul Takzim [1]	24	Leasehold 60 years expiring on 14.4.2053	21,775 (16,274)	Industrial land with single storey factory annexed with 3-storey office	859	1.5.2011
The properties owned by subsidiaries are as follows:							
23	Lot No. 2.11 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	N/A	Freehold	82,742 –	Industrial land	1,600	1.5.2011
24	No. 53, Jalan PBS 14/10 Taman Perindustrian Bukit Serdang 43300 Seri Kembangan Selangor Darul Ehsan	24	Leasehold 99 years expiring on 5.7.2100	2,002 (2,678)	An intermediate 1½-storey terraced factory	584	1.5.2011
25	No. 55, Jalan PBS 14/10 Taman Perindustrian Bukit Serdang 43300 Seri Kembangan Selangor Darul Ehsan	24	Leasehold 99 years expiring on 5.7.2100	2,002 (2,678)	An intermediate 1½-storey terraced factory	584	1.5.2011

No.	Location	Approximate Age of Building Year	Tenure	Land Area/ (Built Up Area) sq. ft.	Description	Net Book Value as at 30.4.2021 RM'000	Date of Revaluation/ Acquisition*
26	Lot 755, Jalan Subang 3 Sungai Penaga Industrial Park 47610 Subang Jaya Selangor Darul Ehsan	13	Freehold	136,125 (73,883)	Industrial complexes comprising a 2-storey office building, a 2-storey detached factory, two 1-storey detached factory and a guard house	24,672	15.8.2018*
27	Lot No. 2.13A Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	N/A	Freehold	89,437 –	Industrial land	1,740	1.5.2011
28	PT20470 HSD184914 Jalan Perindustrian Mahkota 3/F Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	N/A	Freehold	88,490 –	Industrial land	3,205	12.3.2015*
29	No. 11, Kaki Bukit Road 1 #03-07 Eunos Technolink Singapore 415939	15	Leasehold 60 years expiring on 8.7.2056	– (3,100)	1-storey shoplot	1,327	1.5.2011
30	Lot 846, Block 7, MTLD Jalan Demak Laut 3 Sejingkat Industrial Park 93050 Kuching Sarawak	26	Leasehold 60 years expiring on 18.8.2054	82,236 (60,245)	A single storey factory building and a single storey store with ancillary building	4,162	1.5.2011
31	Lot 847, Block 7, MTLD Jalan Demak Laut 3 Sejingkat Industrial Park 93050 Kuching Sarawak	26	Leasehold 60 years expiring on 18.8.2054	96,122 (32,648)	A double storey office building and a single factory building with ancillary building	2,169	1.5.2011
32	PT15145 HSD172073 Jalan Perindustrian Mahkota 2 Kawasan Perindustrian Mahkota 43700 Beranang Selangor Darul Ehsan	N/A	Freehold	457,337 –	Industrial land	8,300	1.5.2011
33	PT50021 HSD121112 Jalan Tasik Selatan 31 57000 Kuala Lumpur	N/A	Leasehold 99 years expiring on 11.9.2118	1,006,641 –	Residential land for property development	71,682	12.9.2019*

Note:

[1] LB Aluminium Berhad has a 60 years lease from the registered proprietor, Johor Corporation, a body corporate established under the Johor Corporation Enactment 1995 to expire on 14 April 2053.

STATISTICS ON ORDINARY SHAREHOLDINGS AS AT 30 AUGUST 2021

Issued and Paid Up Share Capital	:	RM125,770,795.00 comprising of 434,850,699 ordinary shares
Class of Share	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	6,736

ANALYSIS OF ORDINARY SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	%
Less than 100	218	9,868	0.00
100 to 1,000	499	170,651	0.04
1,001 to 10,000	2,677	14,514,947	3.34
10,001 to 100,000	2,973	86,755,402	19.95
100,001 to less than 5% of issued shares	366	177,322,739	40.78
5% and above of issued shares	3	156,077,092	35.89
	6,736	434,850,699	100.00

DIRECTORS' INTEREST

Name	<---------- Direct Interest ---------->		<-------- Indirect Interest -------->	
	No. of Shares Held	% of Total Shares	No. of Shares Held	% of Total Shares
Datuk Leow Chong Howa	131,203,460	30.17	–	–
Mark Wing Kong	6,376,125	1.47	–	–
Neoh Lay Keong	–	–	–	–
Leow Sok Hoon	32,144,882	7.39	–	–
Dato' Dr Mohd Husni Bin Ahmad	–	–	–	–
Yap Chee Woon	1,477,525	0.34	–	–
Toh Khiam Huat	–	–	–	–
Chew Kat Nyap	–	–	–	–
Teh Kok Heng	–	–	–	–
Leow Vinzie (Alternate Director to Datuk Leow Chong Howa)	–	–	–	–

SUBSTANTIAL SHAREHOLDERS

According to the registrar to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:-

Name	<---------- Direct Interest ---------->		<-------- Indirect Interest -------->	
	No. of Shares Held	% of Total Shares	No. of Shares Held	% of Total Shares
Datuk Leow Chong Howa	131,203,460	30.17	–	–
Leow Sok Hoon	32,144,882	7.39	–	–
	163,348,342	37.56	–	–

THE THIRTY LARGEST SHAREHOLDERS AS AT 30 AUGUST 2021

No.	Name	No. of Shares	% of Total Shares
1	Datuk Leow Chong Howa	65,975,885	15.17
2	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for Bank of Singapore Limited (Local)	65,227,575	15.00
3	Leow Sok Hoon	32,144,882	7.39
4	Leow Wei Seng	13,044,902	3.00
5	Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Koo Kow Kiang @ Ko Keck Ting (PB)	12,338,000	2.84
6	Public Nominees (Tempatan) Sdn Bhd Benficiary: Pledged Securities Account for Leow Keng Soon (E-KLC)	8,750,000	2.01
7	Mark Wing Kong	6,376,125	1.47
8	Leow Sok Hong	6,318,026	1.45
9	Tang Lean See	4,374,912	1.01
10	Lim Khuan Eng	4,112,500	0.95
11	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for Kenanga Investors Bhd	3,051,650	0.70
12	Tan Wan Lay	2,482,375	0.57
13	Lim Kian Huat	2,181,375	0.50
14	TA Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Tan Kit Pheng	2,000,000	0.46
15	Chin Chee Wah	1,893,675	0.44
16	Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Kang Yang Choo @ Kang Tan Yeang Choo (PB)	1,862,000	0.43
17	RHB Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Tang Sau Loon	1,770,650	0.41
18	CIMB Group Nominees (Asing) Sdn Bhd Beneficiary: Exempt An for DBS Bank Ltd (SFS)	1,750,175	0.40
19	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Yeoh Ooi Chat (E-BBB/BBA)	1,750,000	0.40
20	Affin Hwang Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Liow Horng Wei (M10)	1,561,000	0.36
21	Ong Ken Sim	1,531,250	0.35
22	Gee Hin Engineering Sdn Bhd	1,516,550	0.35
23	Yap Chee Woon	1,477,525	0.34
24	Tay Ying Lim @ Tay Eng Lim	1,450,925	0.33
25	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for OCBC Securities Private Limited (Client A/c-RES)	1,277,500	0.29
26	CGS-CIMB Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Lee Leong Thai (Penang-CL)	1,233,925	0.28
27	TA Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Tan Tiam Chai	1,169,000	0.27
28	Melodi Ragam Sdn Bhd	1,099,175	0.25
29	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Law Teck Peng	1,052,800	0.24
30	Affin Hwang Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged securities account for Ng Chee Seng (M01)	1,050,000	0.24
		251,824,357	57.90

PROXY FORM

CDS Account No.	
No. of shares held	

LB Aluminium Berhad [198501006093 (138535-V)]
(Incorporated in Malaysia)

I/We ____ Tel No.: ______________
[Full name in block, NRIC/Passport/Company No.]

of ____
[Address]

____

being member(s) of **LB Aluminium Berhad**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No.:			
Email address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No.:			
Email address:			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf, at the Annual General Meeting ("**AGM**") to be conducted on a fully virtual basis using the remote participation and voting facilities through the online meeting platform, TIIH Online, provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via its website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) on Thursday, 28 October 2021 at 10:00 a.m. or at any adjournment thereof, and to vote as indicated below:-

NO.	ORDINARY RESOLUTIONS	#FOR	#AGAINST
1.	To approve 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 2021.		
2.	To approve the payment of Directors' fees of RM400,000.00 for the financial year ended 30 April 2021.		
3.	To approve the payment of Directors' benefits of up to RM45,000.00 for the period from the conclusion of this annual general meeting until the next annual general meeting of the Company.		
4.	To re-elect Mr Mark Wing Kong as Director.		
5.	To re-elect Mr Yap Chee Woon as Director.		
6.	To re-elect Mr Neoh Lay Keong as Director.		
7.	To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	To approve Mr Neoh Lay Keong to continue to act as an Independent Director.		
9.	To approve Dato' Dr Mohd Husni Bin Ahmad to continue to act as an Independent Director.		
10.	To grant authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
11.	To approve the Proposed Renewal of Authority for Share Buy-Back.		
12.	To approve the 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 indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.*

Signed this ____________ day of ____________, 2021.

^ *Manner of execution*
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

____
Signature^
Member

NOTES:-

1. **IMPORTANT NOTICE**

   The Annual General Meeting ("**AGM**") will be conducted on a fully virtual basis using the remote participation and voting ("**RPV**") facilities through the online meeting platform, TIIH Online, provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia via its website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) on Thursday, 28 October 2021 at 10.00 a.m.. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the AGM via the RPV facilities provided by Tricor.

   Please read these Notes carefully and follow the procedures in the Administrative Notes for the AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 October 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy or proxies to participate on his/her/its behalf via RPV.

3. A member who is entitled to participate at this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his place. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint 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.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

8. A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Notes for the AGM.

9. The appointment of a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:-

   (i) <u>In hard copy form</u>

   In the case of an appointment made in hard copy form, this proxy form must be deposited with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) <u>By electronic means via facsimile</u>

   In the case of an appointment made by facsimile transmission, this proxy form must be received via facsimile at 03-2783 9222.

   (iii) <u>By electronic means via email</u>

   In the case of an appointment made via email transmission, this proxy form must be received via email at is.enquiry@my.tricorglobal.com.

   For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur before or on the day of meeting for verification purpose.

   (iv) <u>By electronic form via TIIH Online</u>

   In the case of an appointment of a proxy made in electronic form, the proxy form must be deposited via TIIH Online website at https://tiih.online. Please follow the procedures as set out in the Administrative Notes for the electronic lodgement of proxy form.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

12. Last date and time for lodging this proxy form is Tuesday, 26 October 2021 at 10:00 a.m.

13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

        (a) at least two (2) authorised officers, of whom one shall be a director; or

        (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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STAMP

LB ALUMINIUM BERHAD
[198501006093 (138535-V)]

c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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LB ALUMINIUM BERHAD
[198501006093 (138535-V)]

Lot 11, Jalan Perusahaan 1, Kawasan Perusahaan Beranang,
43700 Beranang, Semenyih, Selangor Darul Ehsan.

Tel:
03-8725 8822 (General)
03-8725 8833 (Sales)

Fax:
03-8725 8828 (General)
03-8725 8826 (Sales)
03-8725 8886 (Sales)
03-8725 8866 (Export)

E-mail:
enquiry@lbalum.com.my

www.lbalum.com