ALCOM GROUP BERHAD

Incorporated in Malaysia
Registration No. 201701047083 (1261259-V)

SUMMARY OF KEY MATTERS DISCUSSED AT THE EIGHTH ANNUAL GENERAL MEETING ("AGM") OF ALCOM GROUP BERHAD ("AGB" OR "THE COMPANY") HELD AT SEMINAR ROOM 1, KELAB GOLF NEGARA SUBANG, JALAN SS 7/2, KELANA JAYA, 47301 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 25 JUNE 2026 AT 10.00 A.M.

Pursuant to Paragraph 9.21(2)(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**BMSB**"), a listed issuer must publish a summary of the key matters discussed at the AGM, as soon as practicable after the conclusion of the AGM.

All the ordinary resolutions tabled at the 8th AGM of the Company were voted by way of poll in accordance with Paragraph 8.29A(1) of the MMLR of BMSB and were duly approved by the members and proxies. The members also received the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December ("**FY**") 2025, along with Reports of the Directors and Auditors thereon.

The following results of the vote by poll were projected on the screen:

	Vote For		**Vote Against**		**Total Votes**	
	No. of Units	**%**	**No. of Units**	**%**	**No. of Units**	**%**
ORDINARY BUSINESS						
Ordinary Resolution 1 Re-election of Lam Voon Kean as Director	77,599,973	99.9356	50,004	0.0644	77,649,977	100.0000
Ordinary Resolution 2 Re-election of Datin Shelina Binti Razaly Wahi as Director	77,599,973	100.0000	4	0.0000	77,599,977	100.0000
Ordinary Resolution 3 Re-election of Gong Wooi Teik as Director	77,599,973	99.9356	50,004	0.0644	77,649,977	100.0000
Ordinary Resolution 4 Approval of the payment of Directors' Fees amounting to RM483,600 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ended 31 December 2025	77,597,939	99.9330	52,038	0.0670	77,649,977	100.0000
Ordinary Resolution 5 Approval of payment of benefits of up to RM180,000 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ending 31 December 2026	77,599,939	99.9356	50,038	0.0644	77,649,977	100.0000

	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
ORDINARY BUSINESS						
Ordinary Resolution 6 Re-appointment of KPMG PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix the Auditors' remuneration	77,599,973	99.9356	50,004	0.0644	77,649,977	100.0000
SPECIAL BUSINESS						
Ordinary Resolution 7 Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	77,597,965	99.9974	2,012	0.0026	77,599,977	100.0000
Ordinary Resolution 8 Proposed renewal of authority for the Company to purchase its own shares	77,599,973	99.9356	50,004	0.0644	77,649,977	100.0000
Ordinary Resolution 9 Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature	33,961,267	99.8471	52,012	0.1529	34,013,279	100.0000

Questions were received from the floor during the 8th AGM of the Company and were duly addressed by the President cum Chief Executive Officer, the Executive Directors, the Finance Director and the External Auditors, KPMG PLT, as follows:

Q1 Could the Board explain the "Elimination" column presented in the table on page 13 of the Annual Report 2025.

A1 The elimination adjustment relates to the elimination of intercompany transactions within the Group during the consolidation process. These primarily include intercompany sales of coils and construction contracts between Group entities.

In preparing the Group's consolidated financial statements, all intercompany sales, profits, balances and transactions are eliminated in accordance with the applicable accounting standards. This removes any unrealised profits arising from transactions between Group companies, ensuring that revenue and profits are not double counted at the Group level.

Accordingly, the consolidated financial statements present the Group as a single economic entity and reflect only transactions with external parties, thereby providing a true and fair view of the Group's financial performance and financial position.

Q2 In relation to the Putra Heights gas leak incident, which disrupted the manufacturing segment's gas supply for more than two weeks:

(a) Did the gas supplier provide any compensation to the company for the supply disruption?

(b) Did any customers claim compensation from the company due to delays in product deliveries?

(c) Does the company intend to obtain insurance coverage against similar incidents in the future?

A2 (a) No compensation was received from the gas supplier for the disruption. Aluminium Company of Malaysia Berhad ("**ALCOM**"), together with other affected industrial users, raised the matter with the relevant authorities including the Energy Commission and presented the losses incurred as a result of the supply interruption. While affected parties were informed that legal action could be pursued individually or collectively, no such action has been initiated to date, to the best of our knowledge. Industry associations, including the Federation of Malaysian Manufacturers and the Malaysian Employers Federation, also engaged with the relevant authorities and the gas supplier on behalf of the affected industries.

(b) ALCOM did not receive any claims for compensation from customers arising from delayed deliveries. To minimise the impact on customers, ALCOM expedited certain shipments by air freight where necessary and maintained close communication with customers by providing updates and publicly available reports on the incident. We appreciate the understanding and cooperation extended by our customers during this period.

(c) ALCOM maintains appropriate insurance coverage for operational risks where such coverage is commercially available. While business interruption arising from electricity supply disruption is generally covered under our insurance policies, losses resulting from this particular gas pipeline explosion were specifically excluded under the relevant policy terms. In addition, ALCOM includes force majeure provisions in its customer contracts, which cover extraordinary events beyond ALCOM's control. ALCOM remains committed to reviewing its risk management and insurance arrangements to ensure appropriate protection against future operational disruptions, where such coverage is available.

Q3 Referring to page 63 of the Annual Report 2025 (Statements of Cash Flows), the allowance for inventory write-down increased from RM323,000 in FY 2024 to RM1.431 million in FY 2025. Could the Board explain the reason for this significant increase?

A3 The increase in the allowance for inventory write-down primarily relates to a higher provision for slow-moving inventory.

During FY 2025, the Group experienced temporary disruptions to its manufacturing operations arising from the Putra Heights gas supply incident. In addition, ALCOM undertook a scheduled shutdown in June 2025 to upgrade its electricity substation in preparation for its expansion project. These events affected production scheduling and inventory turnover, resulting in higher inventory levels, particularly work-in-progress and finished goods within the manufacturing segment.

The write-down is a non-cash accounting provision that reflects prudent inventory valuation based on prevailing conditions at the financial year end, in accordance with the applicable accounting standards.

Q4 Referring to page 89 of the Annual Report 2025, the net loss/(gain) on impairment of financial instruments increased to RM6.799 million in FY 2025, compared with -RM3,000 in FY 2024. Could the Board explain the reason for this significant increase? Given the company's reputation for strong credit control, why was there such a large exposure?

A4 The amount of RM6.799 million represents an impairment provision recognised for trade receivables. The provision related primarily to one major customer that encountered financial difficulties during FY 2025, while the balance related to several smaller accounts.

Although ALCOM maintains stringent credit control procedures, no credit control system can completely eliminate credit risk. ALCOM's customers are generally protected through appropriate credit risk mitigation measures, such as trade credit insurance, letters of credit, standby letters of credit ("**SBLC**") or advance deposits, depending on the customer's risk profile.

In this particular case, the customer's obligations were secured by a SBLC. Following the customer's financial difficulties, ALCOM submitted a claim under the SBLC. However, the claim became subject to a legal dispute involving the advising bank and the issuing bank. ALCOM has commenced legal proceedings to recover the outstanding amount and has been advised that it has a strong legal basis for its claim. As the matter is currently before the courts, ALCOM is unable to comment further.

The impairment provision is recognised in accordance with the applicable accounting standards based on expected credit losses and does not necessarily mean that the amount is irrecoverable. ALCOM will continue to pursue all available legal avenues to recover the outstanding debt.

Q5 Referring to Note 7.1 on page 77 of the Annual Report 2025, finished goods inventories increased from RM39.409 million in FY 2024 to RM48.592 million in FY 2025. What caused this significant increase?

In addition, is the company exposed to aluminium price fluctuations if products are manufactured in advance but only sold several months later? For example if aluminium prices decline after production, would this affect the company's profitability?

A5 The increase in finished goods inventory was mainly attributable to two factors.

Firstly, the value of aluminium, which is the principal raw material used in our products, increased during FY 2025. The average aluminium base metal price was approximately 9% higher than in FY 2024, resulting in a higher carrying value of inventories.

Secondly, ALCOM built up a modest level of finished goods during the second half of FY 2025. Demand softened during the third and fourth quarters of 2025, leaving some available production capacity, particularly at Alcom Nikkei Specialty Coatings Sdn Bhd. Rather than leaving the capacity idle, the management utilised it to produce standard products with common alloy specifications and sizes for existing customers in anticipation of stronger demand in the first quarter of 2026, as the first quarter is typically our busiest period. This was a planned operational decision to improve cost efficiency, and optimise capacity utilisation and enhance customer responsiveness, rather than speculative inventory building.

With regard to aluminium price movements, it is also important to note that converting raw materials into finished goods does not, in itself, increase the Group's exposure to aluminium price fluctuations. The underlying aluminium is already held by the Group, and changes in the London Metal Exchange ("**LME**") aluminium price would similarly affect the value of the metal regardless of whether it remains as raw material, work-in-progress or has been converted into finished goods. Accordingly, the decision to manufacture standard products in advance was made to optimise cost efficiency and capacity utilisation, rather than to take a speculative position on future aluminium prices.

Q6 Referring to Note 23 on page 87 of the Annual Report 2025, the changes in inventories of raw materials, work-in-progress and finished goods decreased from RM35.409 million in FY 2024 to RM1.674 million in FY 2025. Could the Board explain the reason for this significant change? Does this indicate that inventory levels have declined?

A6 This line item does not represent the amount of inventory held at year end. Instead, it reflects the net movement in inventories during FY 2025, which forms part of the calculation of the cost of sales recognised in the Statements of Profit or Loss.

The amount is derived by comparing the opening and closing balances of raw materials, work-in-progress and finished goods. Depending on whether inventory levels increase or decrease during the year, this movement will either reduce or increase the cost of sales recognised in the Statements of Profit or Loss.

Accordingly, the lower amount recorded in FY 2025 does not mean that inventory levels declined significantly. Rather it reflects a smaller net movement in inventories during the year compared with FY 2024. It is therefore an accounting presentation of inventory movement for the purpose of determining the cost of sales, rather than a direct measure of the Group's inventory holdings.

The actual inventory balances as at the financial year end is disclosed separately in Note 7 – Inventories, and the movement can be reconciled by comparing the opening and closing inventory balances.

Q7 Referring to page 119 of the Annual Report 2025, cash at bank decreased from RM47.495 million in FY 2024 to RM21.929 million in FY 2025, while bank borrowing increased. How should shareholders reconcile these two movements? Typically, borrowings are used to finance machinery, while cash is retained for daily operations.

A7 The decrease in cash at bank was primarily due to capital expenditure incurred for the Group's expansion project, including the construction of a new factory and the acquisition of new machinery.

Although the expansion is financed through bank borrowings, the financing does not cover the entire project cost. The banks finance up to approximately 90% of the eligible capital expenditure, while the remaining balance is funded from the Group's internally generated funds. As a result, part of the Group's cash reserves was utilised to fund the expansion.

Q8 Referring to page 111 of the Annual Report 2025, could the Board clarify the nature of the rental expense paid to Aik Joo Can Factory Sdn. Berhad?

A8 The rental expense relates to the leasing of vacant land used for storage purpose, including construction equipment and materials. This arrangement is utilised by our construction subsidiary, AGB Builders Sdn Bhd, in support of its construction activities.

Q9 Referring to page 173 of the Sustainability Report 2025, why does the total Group revenue in the table not reconcile with the total Group revenue in the Management Discussion and Analysis ("MD&A") on page 13 of the Annual Report 2025.

A9 The differences arise primarily due to the different reporting purposes and presentation bases adopted in the Sustainability Report 2025 and the MD&A, particularly in relation to the treatment of intercompany transactions.

The MD&A presents financial information that is consistent with the Group's audited consolidated financial statements, which are prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRS**"). Accordingly, all intercompany transactions are eliminated upon consolidation so that only revenue generated from external third-party customers is reported at the Group level.

In contrast, the Sustainability Report 2025 is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards, which focus on communicating the Group's sustainability performance and operational activities to stakeholders. Certain tables are therefore presented based on the Group's operating segments or legal entities to provide greater operational transparency and may include information before consolidation adjustments.

Accordingly, the revenue figures presented in the Sustainability Report are not intended to be directly comparable with those in the MD&A.

Q10 Has the Company undertaken any share buy-back during the financial year?

A10 The Company did not undertake any share buy-back during FY 2025.

There being no further business, the 8th AGM of the Company was concluded, and the Chairman thanked all present for their attendance. The meeting ended at 11.32 a.m. with a vote of thanks to the Chair.