

ALCOM GROUP BERHAD

(Incorporated in Malaysia

Company No. 1261259-V)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FIRST ANNUAL GENERAL MEETING (“1ST AGM”) OF ALCOM GROUP BERHAD (“AGB” OR “THE COMPANY”) HELD ON WEDNESDAY, 29 MAY 2019 AT 10.05 A.M.

Pursuant to Paragraph 9.21(2)(b) of the Main Market Listing Requirements, a listed issuer must publish a summary of the key matters discussed at the annual general meeting, as soon as practicable after the conclusion of the annual general meeting.

All ordinary resolutions that were tabled at the 1st AGM of the Company were duly approved by the members through poll voting. The members also received the Audited Financial Statements of the Group and of the Company for the financial year/period ended 31 December 2018, along with Reports of the Directors and Auditors thereon.

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

	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
ORDINARY BUSINESS						
Ordinary Resolution 1 Re-election of Dato’ Seri Subahan bin Kamal as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 2 Re-election of Heon Chee Shyong as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 3 Re-election of Yeoh Jin Hoe as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 4 Re-election of Dato’ Eng Kim Liong as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 5 Re-election of Ang Loo Leong as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 6 Re-election of Wong Choon Shein as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 7 Re-election of Lam Voon Kean as Director	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 8 Approval of payment of Directors’ Fees amounting to RM119,000 and payment of benefits of up to RM50,000 to the Non-Executive Directors of the Company and its subsidiaries for the financial period/year ended 31 December 2018	80,822,870	100.000	0	0.000	80,822,870	100.000

Summary of Key Matters Discussed at the 1st AGM held on 29 May 2019 cont'd

	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
ORDINARY BUSINESS						
Ordinary Resolution 9 Approval of payment of Directors' Fees amounting to RM300,000 and payment of benefits of up to RM50,000 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ending 31 December 2019	80,811,870	99.986	11,000	0.014	80,822,870	100.000
Ordinary Resolution 10 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	80,822,870	100.000	0	0.000	80,822,870	100.000
SPECIAL BUSINESS						
Ordinary Resolution 11 Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 12 Proposed renewal of authority for the Company to purchase its own shares	80,822,870	100.000	0	0.000	80,822,870	100.000
Ordinary Resolution 13 Proposed new mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature	42,183,872	100.000	0	0.000	42,183,872	100.000

Questions were received from the floor during the 1st AGM of the Company which were duly addressed by the President cum Chief Executive Officer and Officers of the Company as follows:

Q1 There was a big jump in the revenue as shown in page 59 of the Annual Report 2018, from RM285 million in 2017 to RM386 million in 2018. Is this revenue solely from the manufacturing segment or it includes revenue from the property segment?

A1 The revenue shown in the Statements of Profit or Loss is a comparison between the full financial year ended 31 December 2018 ("FYE 2018") and the 9-month financial period ended 31 December 2017 ("FPE 2017"). The 9-month period was due to a change in the financial year end from 31 March 2017 to 31 December 2017. For a year-to-year comparison, kindly refer to the table on page 11 of the Annual Report where the Group's revenue attributable entirely to the manufacturing segment was RM369 million in calendar year 2017 ("CY 2017") as compared to RM386 million in FYE 2018, which was not a dramatic increase. In terms of shipment volume, it was flat against the preceding year.

Q2 What are the reasons for the drop in profit before tax from RM13.4 million in FPE 2017 to RM7.9 million in FYE 2018? Was it increase in raw material cost and consumables or stocking up for expected sales?

A2 As mentioned in the Management Discussion and Analysis on page 11 of the Annual Report, Earnings Before Interest, Taxes, Depreciation and Amortisation (“**EBITDA**”) for the manufacturing segment was reduced from RM27.34 million in CY 2017 to RM25.43 million in FYE 2018. The main reasons for the drop were the higher interest charges in FYE 2018 and the metal price lag gain of RM0.9 million in FYE 2018 as compared to RM5.1 million in CY 2017.

Q3 Is the Company planning any capital expenditure (“CAPEX”) going forward?

A3 CAPEX was spent by the Company’s wholly-owned subsidiary, Aluminium Company of Malaysia Berhad (“**ALCOM**”) on a project called “Make Alcom Great Again” (“**Project MAGA**”) to add another coater line to increase production capacity of coated fins. The Company was able to sustain in FYE 2018 mainly because of the increase in sales of coated fin, hence the reason to target this segment. Project MAGA will come into realisation by the third quarter of 2019 while commissioning will commence in August or latest by September 2019. Currently, the machines are being installed.

Q4 Is the Kota Damansara Land freehold or leasehold?

A4 All lands in Kota Damansara are leasehold with a remaining tenure of 88 years.

Q5 Can we know more about the project in Kota Damansara such as gross development value (“GDV”), number of units sold and the pricing?

A5 The development called EMHub is divided into 2 phases, i.e. Hub 1 and Hub 2 and each is a 6-storey ramp-up commerce hub where trucks and lorries can be driven right to the doorstep of each unit. The unit can be used as a duplex office, showroom, storage, distribution and warehouse. The average selling price per square foot of each unit is RM500 for the highest floor and RM950 for ground floor. It is the first-of-its-kind in Malaysia and both Hub 1 and Hub 2 will generate an estimated combined GDV of about RM600 million.

To date, booking closed for Hub 1 was about 45% but sales and purchase agreement (“**SPA**”) signed was lower at about 30% as the balance 15% was pending loan approvals. Obtaining loan approval was taking longer than expected in today’s environment. Progress billing will commence in June 2019. The signing of SPA started in the beginning of May 2019, hence, revenue will only be reflected in the accounts in the second half of 2019.

Q6 What is the Company’s strategy to drive the sales of Hub 1?

A6 The strategy is to create more awareness. In April 2019, we held a ground breaking ceremony which was attended by the Menteri Besar of Selangor and the Selangor Information Technology & E-Commerce Council (SITEC). EMHub and the corridors were awarded E-Commerce Hub Status which will be a precursor for EMHub to apply for a Malaysia Digital Hub Status after fulfilling the necessary requirements. Advertisements have also been displayed on billboards along LDP and Sprint highways and more agents will be appointed to push for sales.

Summary of Key Matters Discussed at the 1st AGM held on 29 May 2019 cont'd

Q7 What is the focus of your property segment moving forward – industrial, commercial, high rise or residential and in which location?

A7 At this stage, we are not looking to acquire any more land. Joint venture may be considered. Our focus is still very much in the Klang Valley and more inclined towards development of industrial properties rather than residential.

There being no further business, the 1st AGM of the Company was concluded, and the Chairman thanked all present for their attendance. The meeting ended at 11.05 a.m. with a vote of thanks to the Chair.