



ALCOM GROUP BERHAD

201701047083 (1261259-V)



ANNUAL REPORT 2023

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	Alcom Group Berhad				
	Financial Year Ended ("FY") 31 December				
	2019	2020	2021	2022	2023
Revenue (RM'Million)	372.7	316.4	598.9	976.0	660.0
Profit from Ordinary Activities Before Tax (RM'Million)	3.6	0.9	45.2	103.5	23.2
Net Profit Attributable to Shareholders (RM'Million)	0.3	1.3	32.5	77.5	16.7
Earnings Before Interest, Taxes, Depreciation and Amortisation (RM'Million)	19.4	16.8	63.4	123.6	41.1
Shareholders' Equity (RM'Million)	122.1	123.5	155.9	230.3	243.1
Total Assets (RM'Million)	374.0	408.2	537.7	500.6	470.0
Earnings Per Share (Sen)	0.24	0.98	24.21	57.70	12.47
Net Assets Per Share (RM)	0.91	0.92	1.16	1.72	1.81

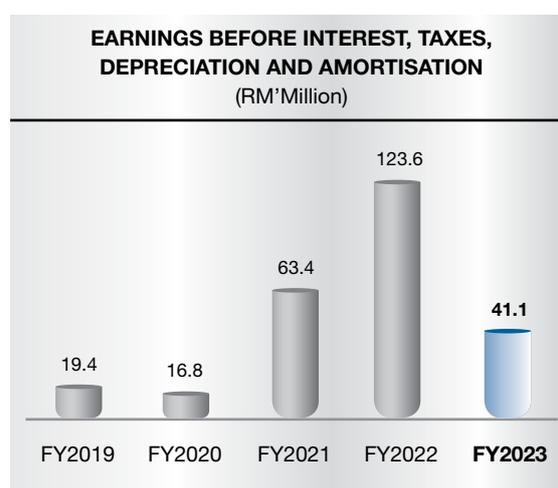
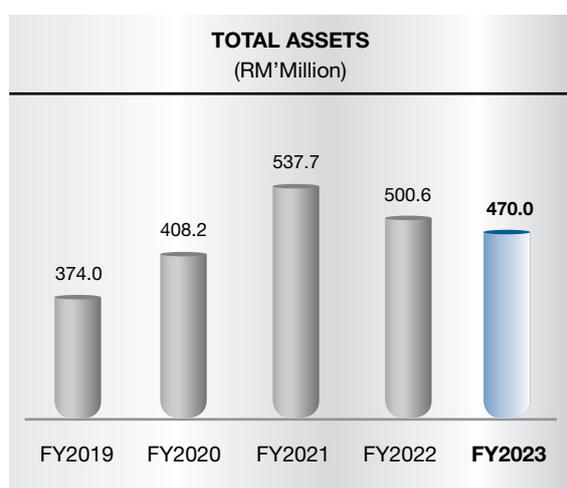
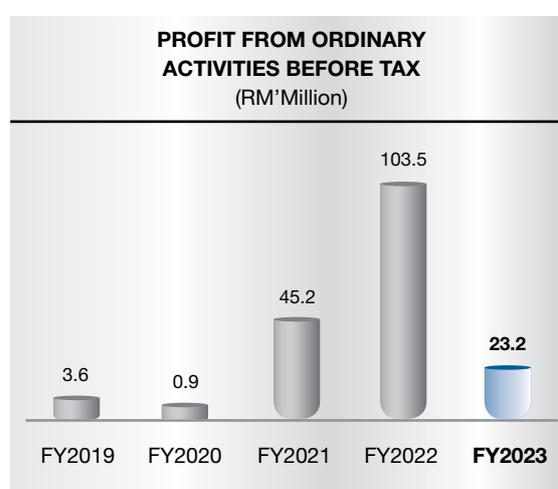
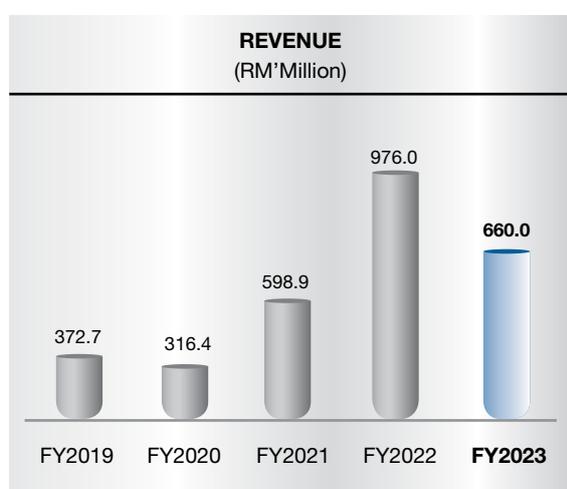


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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Subahan Bin Kamal

*Chairman/
Senior Independent Non-Executive Director*

Heon Chee Shyong

President cum Chief Executive Officer

Yeoh Jin Hoe

Executive Director

Goh Teck Hong

Executive Director

Wong Choon Shein

Independent Non-Executive Director

Lam Voon Kean

Independent Non-Executive Director

Datin Shelina Binti Razaly Wahi

Independent Non-Executive Director

Gong Wooi Teik

Independent Non-Executive Director

Marc Francis Yeoh Min Chang

Alternate Director to Yeoh Jin Hoe

AUDIT & RISK MANAGEMENT COMMITTEE

Lam Voon Kean (Chairperson)
Datin Shelina Binti Razaly Wahi
Gong Wooi Teik

NOMINATION COMMITTEE

Wong Choon Shein (Chairman)
Lam Voon Kean
Datin Shelina Binti Razaly Wahi

REMUNERATION COMMITTEE

Lam Voon Kean (Chairperson)
Wong Choon Shein
Gong Wooi Teik

COMPANY SECRETARIES

Lydia Tong Yiu Shyian-Shyian
SSM PC No. 202208000755
(BC/L/1922)

Teh Yi Ting
SSM PC No. 201908001859
(MAICSA 7068250)

AUDITORS

KPMG PLT
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T : +603-7721 3388
F : +603-7721 3399
E : info@kpmg.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd. (Registration
No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
T : +603-2783 9299
F : +603-2783 9222
E : is.enquiry@my.tricorglobal.com
W : www.tricorglobal.com

Tricor Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

REGISTERED OFFICE

No. 3, Persiaran Waja
Bukit Raja Industrial Estate
41050 Klang
Selangor Darul Ehsan, Malaysia
T : +603-3346 6262
F : +603-3341 2793
E : info@alcom.com.my

PRINCIPAL BANKERS

AmBank (M) Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad
Affin Bank Berhad
Alliance Islamic Bank Berhad
Alliance Bank Malaysia Berhad
HSBC Bank Malaysia Berhad
HSBC Amanah Malaysia Berhad
Malayan Banking Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad
Citibank Berhad

STOCK EXCHANGE LISTING

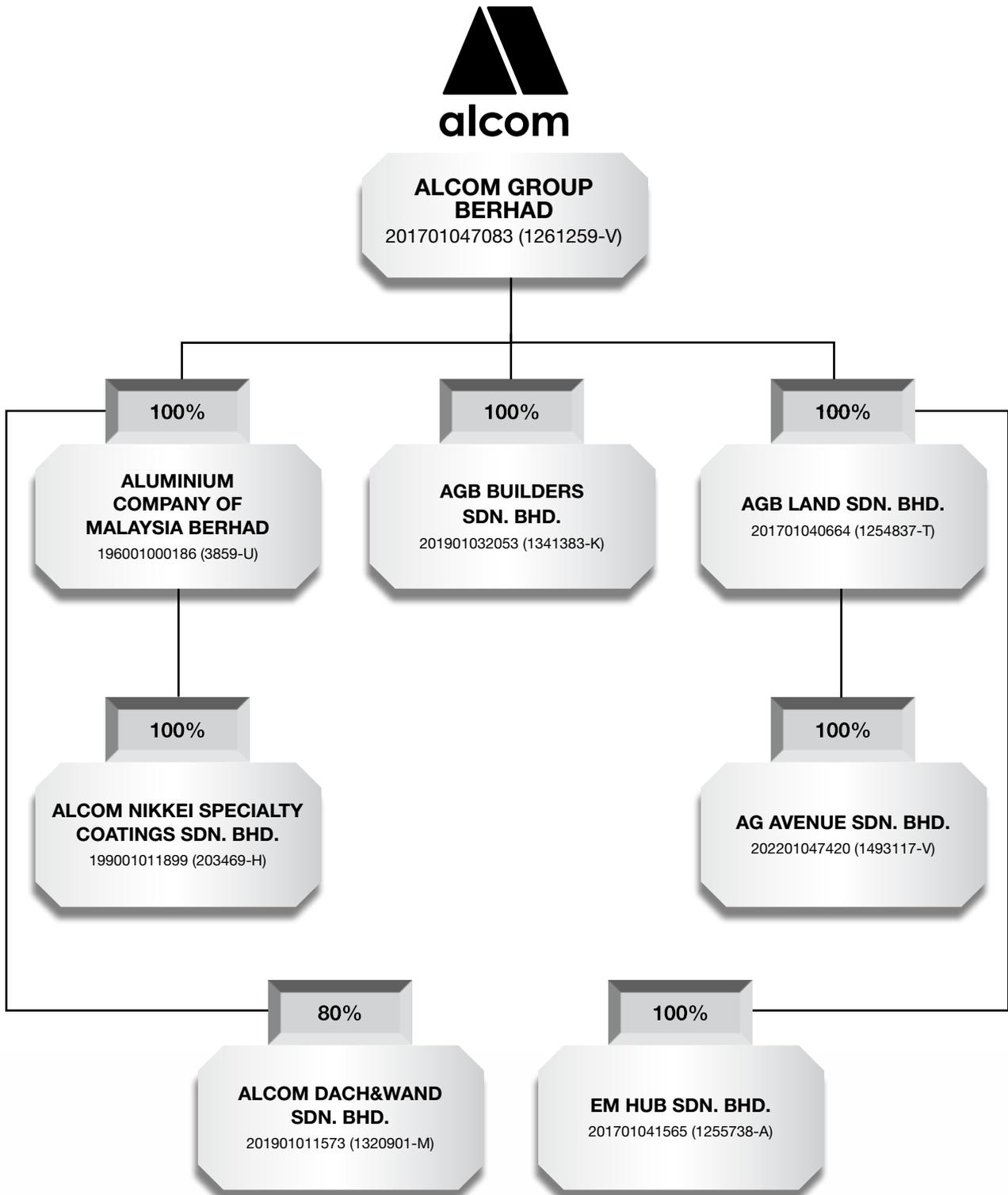
Main Market
Bursa Malaysia Securities Berhad
Stock Name : ALCOM
Stock Code : 2674
Sector : Industrial Products
& Services
Sub-Sector : Metals

WEBSITE

www.alcom.com.my

GROUP STRUCTURE

AS AT 1 APRIL 2024





GROUP INFORMATION

AS AT 1 APRIL 2024

MANUFACTURING SEGMENT

MANUFACTURING PLANTS & CORPORATE OFFICES

Aluminium Company of Malaysia Berhad

No. 3, Persiaran Waja
Bukit Raja Industrial Estate
41050 Klang
Selangor Darul Ehsan, Malaysia
T: +603-3346 6262
F: +603-3341 2793

Alcom Nikkei Specialty Coatings Sdn. Bhd.

No. 3, Persiaran Waja
Bukit Raja Industrial Estate
41050 Klang
Selangor Darul Ehsan, Malaysia
T: +603-3342 2234
F: +603-3342 2203

PRODUCTS MANUFACTURED

Aluminium Specialty Products

Truck Bed Cover, Tread Plate, Flat Sheets/Coils,
Semi-Rigid Container Foils,
Electronic & Household Material Coils,
Stucco Embossed Sheets/Coils,
Painted Sheets/Coils, Cladding Sheets & Cable Foils

Aluminium Roofing Products

Alwave, Alrib, Alspann & Aldek Roofing Profiles,
Nature Stucco Embossed (Bare and No Coat),
Elegant Polyethylene Coated, Supreme Super,
Polyethylene Coated & Infinite Polyvinyl
Fluoride, Coated Coils & Cladding Sheets

Aluminium Foil Products

Bare Finstock & Coated Finstock

SALES ENQUIRIES/ CONTACT

marketing@alcom.com.my
Daniel.Lim@alcom.com.my

PROPERTY DEVELOPMENT SEGMENT

SALES GALLERY & CORPORATE OFFICE

AGB Land Sdn. Bhd.

EM Hub Sdn. Bhd.

AG Avenue Sdn. Bhd.

B-01-16, EmHub, Persiaran Surian, Seksyen 3,
Kota Damansara, 47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T: +603-6419 9888

PROJECT

EmHub
(6-Storey Ramp-Up Commerce Hub)

SALES ENQUIRIES/ CONTACT

sales@agbland.com.my

CONSTRUCTION SEGMENT

CORPORATE OFFICES

Alcom Dach&Wand Sdn. Bhd.

No. 2, Pusat Perniagaan Bestari
Jalan Permata 1B/KS09
Taman Perindustrian Air Hitam
42000 Klang
Selangor Darul Ehsan, Malaysia
T: +603-3123 1353
F: +603-3123 1311

AGB Builders Sdn. Bhd.

Office Suite No. T1-17-01, 8trium Tower
Bandar Sri Damansara, 52200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
T: +603-6280 6666
F: +603-6280 6336

PRINCIPAL ACTIVITIES

Supply, fabrication and installation of architectural roof,
facade cladding systems and steel structure

SALES ENQUIRIES/ CONTACT

dachwand@alcom-dw.com

PRINCIPAL ACTIVITY

Construction of buildings

SALES ENQUIRIES/ CONTACT

enquiry@agb.builders

PROFILE OF DIRECTORS

DATO' SERI SUBAHAN BIN KAMAL

Chairman / Senior Independent Non-Executive Director

Malaysian, Male, Aged 58

Dato' Seri Subahan Bin Kamal was appointed to the Board of Directors ("Board") of Alcom Group Berhad ("AGB") as Independent Non-Executive Chairman on 9 August 2018. He was re-designated as Senior Independent Non-Executive Director of AGB on 28 August 2019.

He holds a Bachelor of Science (Honours) in Finance and Minor in Economics from Southern Illinois University at Carbondale, Illinois, United States of America. He is a member of the Malaysian Insurance Institute.

He started his employment career with Bank Rakyat Corporate Planning Department in 1989 and left to join the civil service sector in 1994. He served as Private Secretary to the Parliamentary Secretary, Ministry of Finance (1994 to 1995), Senior Private Secretary to the Deputy Minister of Finance (1995 to 1998) and Senior Private Secretary to the Deputy Minister of Human Resource (1999). In 1999, he left the civil sector to start his business in construction. He has several businesses involved in constructions, training and education, property development, project management and logistics.

He is the President of the Malaysian Hockey Confederation; Chairman of Wawasan Qi Group; and member of Advisory Board, Quest International University Perak. He was the former Deputy President of Football Association of Malaysia, the President of Football Association of Selangor from 2016 to 2018 and the Manager of Malaysian National Football Team from 2009 to 2013.

He is the Chairman of Social Security Organisation (SOCSO), a government agency under the Ministry of Human Resources since 4 October 2022. He is an Executive Director of Gagasan Nadi Cergas Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

He does not have any family relationship with any Director and/or major shareholder of AGB.

HEON CHEE SHYONG

President cum Chief Executive Officer

Malaysian, Male, Aged 56

Heon Chee Shyong was appointed to the Board of AGB as President cum Chief Executive Officer ("CEO") on 9 August 2018. He joined Aluminium Company of Malaysia Berhad ("ALCOM") as Managing Director on November 2014 and remained as its President cum CEO after an internal reorganisation in 2018 when the listing status of ALCOM was transferred to AGB.

He graduated with Bachelor of Civil Engineering (Honours) and Bachelor of Commerce – Management. He also completed the General Manager Program from Australian Graduate School of Management (AGSM).

He started his career with NS BlueScope Lysaght (Malaysia) Sdn. Bhd. (formerly known as BHP Steel Building Products Sdn. Bhd.) in 1991. Since then, he had accumulated 22 years of working experience within the NS BlueScope Steel group holding numerous key leadership roles.

He does not have any family relationship with any Director and/or major shareholder of AGB. He has no directorship in other public companies and listed issuers.

PROFILE OF DIRECTORS

YEOH JIN HOE

Executive Director

Malaysian, Male, Aged 77

Yeoh Jin Hoe was appointed to the Board of AGB on 9 August 2018. He joined ALCOM as Executive Director on September 2016 and remained as its Executive Director after an internal reorganisation in 2018 when the listing status of ALCOM was transferred to AGB.

He has extensive experience in the manufacturing and trading industries. He founded several companies involved in the manufacturing sector. These companies are principally involved in the manufacture and sale of branded mattresses and other sleep related products; food products such as instant noodles and food seasonings; and distribution of sanitary wares, ironmongery and builders' hardware.

He was the former Managing Director of Can-One Berhad ("Can-One"), a company listed on the Main Market of Bursa Securities, and a major shareholder of Can-One. He relinquished his aforesaid position in Can-One in 2012 when he became a major shareholder of Kian Joo Can Factory Berhad ("Kian Joo") and was appointed Group Managing Director of Kian Joo. He remained on the Board of Can-One as a Non-Independent Non-Executive Director. He is also the Group Managing Director of Kian Joo's subsidiary company, Box-Pak (Malaysia) Bhd., which is listed on the Main Market of Bursa Securities. He is a Trustee of Yayasan Canone Kianjoo.

He is a major shareholder of AGB. He is the father of Alternate Director, Marc Francis Yeoh Min Chang.

GOH TECK HONG

Executive Director

Malaysian, Male, Aged 49

Goh Teck Hong was appointed to the Board of AGB as Executive Director on 1 March 2022. He holds a Bachelor of Commerce in Accounting and Economics from Deakin University, Australia. He is a Certified Practising Accountant of CPA Australia and Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

He has more than 20 years capital market, Islamic banking and commercial experience, local and regional, in the fields of investment banking, corporate finance, corporate banking and debt market. He previously held various senior positions in RHB Islamic Bank Berhad, Kuwait Finance House (Malaysia) Berhad and Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad). He also possesses experience in regulatory and compliance fields during his employment with Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) and Malaysian Derivatives Clearing House Berhad.

He is an Executive Director of Can-One Berhad which is listed on the Main Market of Bursa Securities.

He does not have any family relationship with any Director and/or major shareholder of AGB.

PROFILE OF DIRECTORS

WONG CHOON SHEIN

Independent Non-Executive Director

Malaysian, Male, Aged 73

Wong Choon Shein was appointed to the Board of AGB on 9 August 2018. He is the Chairperson of the Nomination Committee and a member of the Remuneration Committee of AGB.

He has over 45 years of experience and knowledge in international trade and wide networking with major global players in the building and construction industry. He was the founder and Managing Director of Buildtrend Group, a major building materials and architectural products distributor of global brands (like ROCA, TOTO, Villeroy and Boch) and contractor. In July 1994, after divesting Buildtrend Group to Hong Leong Malaysia, he assumed the position of Group Managing Director, Building Materials Division of Hong Leong Industries Berhad until 1996. Home Expo, the first one-stop home renovation and decoration centre in Malaysia, was launched by him in 1999.

He has several business ventures in the building and construction industry in Malaysia, Singapore and Australia. He is also the ASEAN Business Development Director for BSC Group Hong Kong, a building materials and interior contracting group with business activities in Hong Kong, China and Macau.

He is a Non-Independent Non-Executive Director of OCB Berhad which is listed on the Main Market of Bursa Securities.

He does not have any family relationship with any Director and/or major shareholder of AGB.

LAM VOON KEAN

Independent Non-Executive Director

Malaysian, Female, Aged 71

Lam Voon Kean was appointed to the Board of AGB on 9 August 2018. She is the Chairperson of the Audit and Risk Management Committee, and Remuneration Committee, and a member of the Nomination Committee of AGB. She is a member of the MIA and Malaysian Institute of Certified Public Accountants (“MICPA”).

She joined KPMG Penang in 1974 as an articled student and qualified as a Certified Public Accountant in 1981. She was one of the senior audit managers of KPMG Penang and acted as the engagement manager for various audit engagements and also for assignments relating to the listing of shares on the Malaysian Stock Exchange and was involved in the review and preparation of profit and cash flow forecasts and projections.

In 1994, she left KPMG Penang and joined M&C Services Sdn. Bhd. (now known as Boardroom Corporate Services Sdn. Bhd.) and was promoted to Executive Director managing a suite of business solutions and services for public listed companies, private companies, and branches of multi-national companies.

She was the Managing Director of Boardroom Corporate Services (Penang) Sdn. Bhd. (“Boardroom”) until her retirement in 2011 and acted as consultant to Boardroom for a year in 2012.

She is an Independent Non-Executive Director of Asia File Corporation Bhd., RGB International Bhd. and Tambun Indah Land Berhad, which are all listed on the Main Market of Bursa Securities.

She does not have any family relationship with any Director and/or major shareholder of AGB.

PROFILE OF DIRECTORS

DATIN SHELINA BINTI RAZALY WAHI

Independent Non-Executive Director

Malaysian, Female, Aged 50

Datin Shelina Binti Razaly Wah was appointed to the Board of AGB on 1 December 2021. She is a member of the Audit and Risk Management Committee, and Nomination Committee of AGB.

She graduated with a Bachelor of Laws (Honours) from the University of Bristol. She completed her Bar Vocational course at Lincoln's Inn, London in 1996 and was called to the Malaysian Bar in 1998.

She began her legal career as a litigation lawyer, then moved in-house as corporate counsel with a large multinational oil & gas company, followed by stints at a leading media, content & consumer service provider, a start-up airline and a food & beverage start-up, before returning to corporate legal practice.

In addition to being a corporate lawyer specialising in the aviation and aerospace sectors, she is currently the Honorary Secretary of the Malaysia Aerospace Industry Association and assists member companies in their engagements with Government agencies, banks and other industry shareholders. She is also active in the general aviation sector, particularly in relation to advising on financing, leasing and regulatory matters. She has a keen interest in working with companies and industries to meet their Environmental, Social and Governance ("ESG") requirements and commitments moving forward.

She is an Independent Non-Executive Director of Marine & General Berhad which is listed on the Main Market of Bursa Securities and Pekat Group Berhad which is listed on the ACE Market of Bursa Securities. She is also a Non-Independent Non-Executive Director of Lam Soon (M) Berhad, a public company.

She does not have any family relationship with any Director and/or major shareholder of AGB.

GONG WOUI TEIK

Independent Non-Executive Director

Malaysian, Male, Aged 73

Gong Woui Teik was appointed to the Board of AGB on 1 December 2021. He is a member of the Audit and Risk Management Committee, and Remuneration Committee of AGB.

He is a Fellow Member of the Institute of Chartered Accountants in England & Wales, a Member of the MIA and Fellow Member of the Chartered Tax Institute of Malaysia.

After qualifying as a Chartered Accountant in England in 1976, he returned to Malaysia in early 1977 and worked for 2 of the big 4 international accounting firms before starting his own accounting firm in 1980. He is currently the Senior Partner of GEP Associates PLT, a member firm of AGN International Ltd. which is a worldwide Association of Accounting and Consulting Firms.

He also holds directorship in Dancomech Holdings Berhad which is listed on Bursa Securities.

He does not have any family relationship with any Director and/or major shareholder of AGB.

PROFILE OF DIRECTORS

MARC FRANCIS YEOH MIN CHANG

Alternate Director to Yeoh Jin Hoe

Malaysian, Male, Aged 39

Marc Francis Yeoh Min Chang was appointed as Alternate Director to Yeoh Jin Hoe on 9 August 2018. He holds a Bachelor of Science in Electrical and Electronic Engineering (Magna cum Laude) from Marquette University, United States of America and a Master of Business Administration in Finance from University of Southern Queensland, Australia.

He is the Group Managing Director of Can-One Berhad, a company listed on the Main Market of Bursa Securities. Prior to this, he was Can-One Berhad's Chief Operating Officer cum Executive Director. From 2007 to 2010, he was with Axiata Group Berhad group of companies serving in various senior positions abroad.

He is also a Senior Executive Director of Kian Joo Can Factory Berhad, a wholly-owned subsidiary of Can-One Berhad and a Trustee of Yayasan Canone Kianjoo.

He is the son of Yeoh Jin Hoe, the Executive Director and major shareholder of AGB.

Additional Information:

1. *Save as disclosed, none of the Directors has conflict of interest or potential conflict of interest with AGB including any interest in any competing business with AGB and/or its subsidiaries.*
2. *None of the Directors:*
 - (i) *has been convicted of any offence within the past 5 years; or*
 - (ii) *was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.*
3. *Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 33 of this Annual Report.*

PROFILE OF KEY SENIOR MANAGEMENT

GAN KWANG SIANG

Finance Director of ALCOM

Malaysian, Male, Aged 46

Gan Kwang Siang joined wholly-owned subsidiary, Aluminium Company of Malaysia Berhad (“ALCOM”) in July 2020 as Group Accountant and was re-designated to Finance Director on 1 November 2022. He has over 20 years working experience in audit and finance. He started his career as an auditor with Ernst & Young in 2001. Thereafter, he served as Accountant (2003 to 2009), Finance Manager (2010 to 2015) and Chief Financial Officer (2017) in several public listed companies in Malaysia whose business activities spanned over manufacturing, property development and plantation. He had also served as a Finance Director from 2018 to 2019 at an IT-based private limited company. He previously held directorship in several companies whose ultimate holding company was listed on Bursa Malaysia Securities Berhad, and in another company whose ultimate holding company was listed on NASDAQ.

DANIEL LIM BOON AIK

Director, Sales & Marketing of ALCOM

Malaysian, Male, Aged 53

Daniel Lim Boon Aik joined ALCOM in January 2022 as Director, Sales & Marketing. He holds a Masters of Business Administration from University of Lincoln, United Kingdom since 2002. He has accumulated over 20 years of executive leadership, and profit and loss management experience. His career of 30 years spans through the electronics, automotive, fast-moving consumer goods and construction sectors. His experience also includes over 10 years of exposure in building materials and he has very much been with world leading multinational companies and local conglomerates prior to joining ALCOM. He is also an invited speaker for Environmental, Social and Governance (“ESG”) related topics especially on carbon dioxide emission and business strategies for green initiatives, by both customers and the Malaysian architectural fraternity.

LEE JUNG WON

Director, Plant of ALCOM

Korean, Male, Aged 59

Lee Jung Won joined ALCOM as Director, Plant in January 2023. He holds a Bachelor of Science in Metallurgical Engineering from Busan National University and a Master of Science in Safety Management from the University of Ulsan. He brings with him an impressive 33 years of experience in the aluminium industry. Before joining ALCOM, he held significant roles at Novelis Korea Ltd and Ulsan Aluminium Ltd, where he led units for Quality Assurance, Technology, Cold Rolling, Remelt, and, most recently, in Environment, Health, and Safety (“EHS”). He also served as the General Director in Novelis Vietnam Co., Ltd for 2.5 years. His commitment to excellence has been recognised with several awards, including the Novelis Asia President Award for Operational Excellence in 2011 and EHS sector recognition in 2017. In 2022, he was honoured with the KOSHA (Korea Occupational Safety and Health Agency) Chairman Award and he obtained the Project Management Professional (Certified Associate in Project Management) (“PMP (CAPM)”) certification from Project Controls Cooperation of Asia (“PCCA”) in 2020. He is a qualified ISO 9001, 14001 and 45001 auditor and holds a License as an International Safety Engineer since 2016 and 2019.

PROFILE OF KEY SENIOR MANAGEMENT

DATO ' ENG KIM LIONG

Director of AGB Land

Malaysian, Male, Aged 59

Dato' Eng Kim Liong was appointed to the Board of AGB Land Sdn Bhd ("AGB Land") on 24 July 2018. He has over 30 years experience in property investment and mechanical and electrical trades. He is the cofounder of SCLand Sdn. Bhd., a property investment and development company with projects in Klang Valley, Selangor, Pahang and Sabah. Prior to SCLand Sdn. Bhd., he specialised in the provision of mechanical and electrical works to property developers with customers in East and West Malaysia.

ANG LOO LEONG

Director of AGB Land

Malaysian, Male, Aged 59

Ang Loo Leong was appointed to the Board of AGB Land on 27 November 2018. He holds a Diploma in Building Technology. He has over 39 years experience in the construction industry, having served in several reputable construction companies involved in large scale construction projects in Klang Valley and Kota Kinabalu, Sabah. EMHub Kota Damansara was successfully completed on time in 2023 under his leadership and guidance.

KANG HUP LEE

Chief Operating Officer of AGB Land

Malaysian, Male, Aged 45

Kang Hup Lee joined AGB Land in April 2018 as Chief Operating Officer. He holds a Bachelor of Science in Civil Engineering (Honours) from Universiti Putra Malaysia and a Master of Business Administration from Victoria University, Melbourne. He has 22 years experience in the consultancy and property development industry which includes 5 years in engineering consultancy service and 16 years in property development management. He was the Vice President in the Property Development Division at See Hoy Chan Sdn. Berhad Group from 2016 to 2018, and played a key strategic role in leading the completion of the Starling Mall, Somerset Hotel, Uptown Residences and the Grade A office tower.

Additional Information:

1. *None of the Key Senior Management personnel has family relationship with any Director and/or major shareholder of AGB.*
2. *None of the Key Senior Management personnel has conflict of interest or potential conflict of interest, including any interest in any competing business with AGB or its subsidiaries.*
3. *None of the Key Senior Management personnel holds directorship in public companies and listed issuers.*
4. *None of the Key Senior Management personnel:*
 - (i) *has been convicted of any offence within the past 5 years; or*
 - (ii) *was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.*

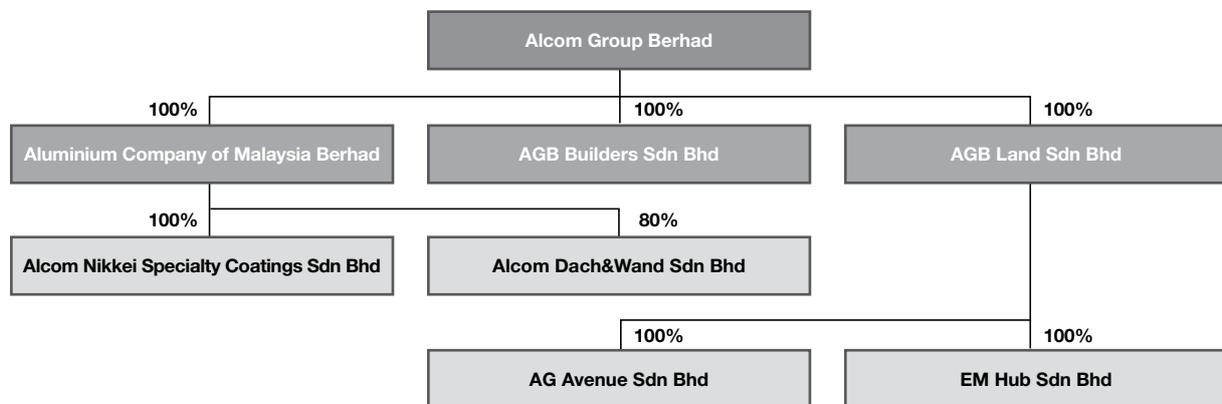
MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) provides an analysis of the financial performance of Alcom Group Berhad (“AGB” or “the Company”) and its group of companies (“the Group”) for the financial year ended 31 December (“FY”) 2023 which should be read in conjunction with the audited financial statements of the Group and of the Company as set out in pages 53 to 101. This MD&A is the responsibility of the Management. The Board of Directors has reviewed and approved this MD&A for inclusion in this Annual Report.

OVERVIEW OF THE GROUP’S BUSINESS AND OPERATIONS

The Group’s structure is as follows:-



The Group organises its principal activities into 4 business segments as follows:-

- 1) Manufacturing Segment
- 2) Property Development Segment
- 3) Construction Segment
- 4) Investment Holding Segment

Manufacturing Segment

This segment comprises 2 entities, i.e. Aluminium Company of Malaysia Berhad (“ALCOM”) and its wholly-owned subsidiary, Alcom Nikkei Specialty Coatings Sdn. Bhd. (“ANSC”), which are collectively known as ALCOM/ANSC. ALCOM is a well-established aluminium manufacturer having been in operation for 64 years in the manufacturing of aluminium sheets and coils. It supplies rolled aluminium products within Malaysia as well as to Asia, Europe, Middle East and the United States (“US”). The key product categories manufactured by ALCOM are finstock, specialties and roofing products whilst ANSC produces the coated fin product. Approximately 89% of the total shipment volume of ALCOM/ANSC is exported with the remainder supplied to the domestic market.

Property Development Segment

The property development segment of the Group, AGB Land Sdn. Bhd. (“AGB Land”) along with its wholly-owned subsidiaries i.e. EM Hub Sdn. Bhd. (“EMH”) and AG Avenue Sdn. Bhd. (“AG Avenue”) focuses on property development. EMH was established in November 2017 to develop its maiden property project, a Ramp-up Commerce Hub with a hybrid 3-in-1 space for showrooms, offices and storage, located at Kota Damansara, Selangor. This project was divided into two phases i.e. Hub 1 which was launched in October 2018 and handed over in March 2023; and Hub 2 which was launched in April 2021 and handed over in August 2023. AG Avenue was incorporated in December 2022 with an intended principal activity of property development and it is in the midst of acquiring vacant lands for future development.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONTINUED)

Construction Segment

This segment comprises AGB Builders Sdn. Bhd. ("AGB Builders") and Alcom Dach&Wand Sdn. Bhd. ("AD&W"). AGB Builders was incorporated in September 2019 as a wholly-owned subsidiary of AGB. The principal activity of AGB Builders is construction of buildings. AD&W is engaged in the business of supply, fabrication and installation of architectural roof, facade cladding and steel structure. It was acquired by ALCOM in October 2019 to complement its business growth in the roofing product category.

Investment Holding Segment

AGB is the sole company within this segment. It is the holding company of 3 direct wholly-owned subsidiaries i.e. ALCOM, AGB Builders and AGB Land. AGB is the only company in the Group that is listed on the Main Market of Bursa Malaysia Securities Berhad.

FINANCIAL PERFORMANCE

Summary of the consolidated results by segments for FY2023 and FY2022 were as follows:-

Consolidated Summary Results by Segments	Manufacturing	Property Development	Construction	Investment Holding	Elimination	Group	Manufacturing	Property Development	Construction	Investment Holding	Elimination	Group
	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil	RM Mil
- Statements of Profit or Loss	Financial Year 2023						Financial Year 2022					
Revenue	531.64	119.97	38.65	6.74	(37.00)	660.00	648.95	309.17	123.40	6.72	(112.23)	976.01
Profit/(Loss) Before Tax	(3.86)	25.02	0.54	5.39	(3.88)	23.21	15.26	75.88	11.73	5.26	(4.60)	103.53
Tax Expense	(0.16)	(5.99)	(0.09)	(0.01)	(0.66)	(6.91)	(4.17)	(18.40)	(2.97)	(0.01)	(0.36)	(25.91)
Profit/(Loss) After Tax	(4.02)	19.03	0.45	5.38	(4.54)	16.30	11.09	57.48	8.76	5.25	(4.96)	77.62
- Statements of Financial Position	As At 31 December 2023						As At 31 December 2022					
Total Assets	328.74	117.87	34.88	113.21	(124.65)	470.05	336.26	187.41	47.65	111.64	(182.33)	500.63
Total Liabilities	207.36	22.36	17.24	0.61	(20.60)	226.97	209.32	105.79	30.32	1.06	(76.19)	270.30
Equity	121.38	95.51	17.64	112.60	(104.05)	243.08	126.94	81.62	17.33	110.58	(106.14)	230.33

Revenue

The Group's revenue for FY2023 decreased by RM316.01 million or 32% to RM660.00 million as compared to FY2022's revenue of RM976.01 million. Of the RM660.00 million revenue, RM531.64 million was attributable from the manufacturing segment with the remaining RM128.36 million external revenue being generated from the property development and construction segments. No external revenue was recorded in the investment holding segment.

The manufacturing segment recorded a decrease of RM117.31 million in revenue to RM531.64 million for FY2023 as compared to FY2022's attainment of RM648.95 million. This 18% decrease was the result of lower shipment volumes of the specialty and bare fin products to the United States and India markets respectively. The operational challenges faced in the first half of FY2023 also impacted shipment volumes. In addition, revenue was also impacted by a lower base metal price which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium; it was approximately 17% lower in FY2023 versus FY2022. This was partially offset by the strengthening of the USD currency by approximately 4% in FY2023 versus FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE (CONTINUED)

Revenue (continued)

The property development segment registered a RM189.20 million decrease in revenue to RM119.97 million for FY2023 when compared to FY2022's revenue of RM309.17 million. This 61% decrease was mainly attributable to the lower number of units sold as there were not many unsold units left owing to the high market demand. In addition, both Hub 1 and Hub 2 were successfully handed over in March 2023 and August 2023 respectively.

The construction segment posted a decrease in external revenue from RM20.43 million in FY2022 to RM10.30 million in FY2023, due mainly to a reduction in the number of new projects within its roofing and cladding business.

Profit Before Tax

The Group registered a profit before tax of RM23.21 million for FY2023 as compared to FY2022's profit before tax of RM103.53 million.

The manufacturing segment recorded a loss before tax of RM3.86 million in FY2023 versus FY2022's profit before tax of RM15.26 million. This loss before tax was mainly attributable to the lower revenue resulting from a 10% reduction in shipment volume, coupled with higher energy costs and repairs and maintenance expenses. These were partially offset by an improved product mix and the strengthening of the USD currency.

The property development segment attained a profit before tax of RM25.02 million in FY2023 compared with FY2022's profit before tax of RM75.88 million. This decrease of 67% was mainly attributable to the lower revenue recognised in FY2023 due to the handover of Hub 1 and Hub 2 in the current year, coupled with higher administrative expenses and lower interest income from financial institutions, but partially offset by lower marketing expenses and substantially lower interest expenses as compared to FY2022. Meanwhile, the construction segment recorded a 95% decrease in profit before tax to RM0.54 million in FY2023 from RM11.73 million in FY2022, due largely to the completion of the construction of the Group's internal EMHub project in May 2023.

Tax Expense

The effective tax rate of the Group for FY2023 was higher than the statutory tax rate mainly due to the non-deductibility of certain expenses.

Total Assets

The decrease of RM30.58 million in total assets of the Group in FY2023 compared with FY2022 was primarily attributable to the property development segment, mainly due to the decrease in the inventory of properties under development whereby a substantial number of units were successfully sold in FY2023 due to high market demand, but were partially offset by higher cash balances at the property development and construction segments. In addition, the manufacturing segment also had lower inventory holding.

Total Liabilities

The decrease of RM43.33 million in total liabilities of the Group in FY2023 as compared to FY2022 was largely attributable to the property development segment due to the decrease in contract liabilities as both Hub 1 and Hub 2 were successfully completed and handed over in March 2023 and August 2023 respectively. Additionally, the decrease in total liabilities was partially contributed by the manufacturing segment which had lower accounts payables.

Capital Expenditure

The Group incurred RM47.71 million mainly for the new acquisition and replacement of tangible property, plant and equipment in FY2023 as compared to RM8.89 million incurred in FY2022. These capital expenditures in both financial years were mainly incurred by the manufacturing segment.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE (CONTINUED)

Dividend Policy

The Group is committed to protecting shareholders' interests and creating sustainable value. Any dividend payout will be dependent on the Group's level of cash and retained earnings, its prospects of financial performance as well as its projected obligations. This dividend policy has thus far aided in the Group's business growth without affecting its planned strategic direction. In this respect, the Board has recommended a first and final single-tier dividend of 4.0 sen per share amounting to approximately RM5.37 million in respect of FY2023. This aforesaid dividend is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

REVIEW OF OPERATING ACTIVITIES

MANUFACTURING SEGMENT

Overview

The year 2023 started with much anxiety over the recovery of the economic condition in the US and as the year progressed, the subdued demands extended into Europe, India and Thailand. Economies around the world gradually softened while efforts to revive the US volumes gradually improved to another record by the year end. Poor production reliability, delivery, quality and irregular shipment availability were the key challenges throughout 2023.

For the finstock segment, volumes to Europe and India were strong until the 3rd quarter of 2023 while most customers gradually moved into overstock position by the end of the year. Some major customers operated four days a week by the end of the year. As air conditioner manufacturers in Thailand experienced an approximately 30% shortfall from their plans, our shipment volumes to Thailand dropped by about 21% compared with FY2022. Other major markets in India, Japan and Malaysia remained stable.

In the specialty segment, shortages of microchips and electronic parts persisted and this led local mills in US to release their capacity into the building and construction industry. Due to increased interest rates, a weakening market, and the repercussions of overstocking at the end of FY2022, volumes in the US were impacted during the 1st half of FY2023. Hence, the 1st half of FY2023 was much slower from the US whilst it gradually picked up in the 2nd half of FY2023.

Commercial

Our revenue declined by 18% compared to the corresponding period in FY2022. This was primarily due to operational challenges early in the year, the continuing economic slowdown in the US market and the subsequent slowing of the global economy. Our shipment volume declined year-on-year by 10%. In spite of this, our conversion premium per metric tonne continued to improve mainly due to the increase in prices that was intended to mitigate the impact of higher energy prices. For the split of shipment volume, our exports contribute 89% of our output.

We achieved another consecutive record-breaking year with our coated finstock segment, where the shipment volume grew by 7% compared with the previous record-breaking volume in FY2022. We successfully penetrated new customers in India and we had a record volume year for Europe. Despite a disrupted 2nd half, volumes from new customers negated the impact. The robust European market for the finstock segment in 2022 has slowed down due to lower market demand.

With effective measures, we recorded the highest shipment volume for the specialty segment in the 4th quarter of FY2023. This was largely attributed to the introduction of new products, new customers and the start of the restocking exercise. While the domestic building and construction segment remained subdued, we successfully revived customers within our product range and retaining them since with improved volumes. This helped cushion the impact of lower volumes.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

MANUFACTURING SEGMENT (CONTINUED)

Customers

Our major customer base continues to be from the finstock segment, consisting of major and leading manufacturers in the air-conditioner and heat-exchanger market across Asia and Europe. Our business development efforts resulted in a few new customers around the world. Our foray into the US market has widened our customer base and given us new segment opportunities apart from the building and construction market. We continue to supply finstock into the US. New product development has been progressive for both the finstock and specialty segments, with the introduction of new alloys. Our business development team will continue to explore new markets and segments to grow our customer base.

Costs

Direct Cost – For the year under review, total direct cost incurred was 19% higher as compared to FY2022. This was primarily due to the significantly higher electricity and gas costs of 43% and 24% respectively. These two cost components accounted for 49% of the total direct cost incurred.

Period Cost – Total period cost incurred was similar to FY2022.

Total Operating Cost – Total operating cost was 7% higher than FY2022. This was mainly attributable to the higher direct costs mentioned above, but was partially offset by lower SG&A expenses.

Manufacturing

The operations team started FY2023 with some backlog orders. The reliability issues faced by our operations team during the 1st quarter had hampered our ability to fulfil delivery obligations. We managed to normalise the operation and resolve some of the reliability issues by the end of the 2nd quarter. Various prolonged reliability issues had impacted our productivity and the morale of the team.

As part of our alignment with the government's initiative of a 45-hour workweek, we promoted work-life balance to all our employees. We moved to 3 shifts with 4 crews (previously 3 crews) which we believe will help to improve our safety and productivity. The crew members will have more time off to spend with their families. This also enabled us to re-focus our team on safety and Total Quality Management (TQM) initiatives.

Human Capital

This year, our training initiatives were targeted on upgrading the skills of our sales team and the leadership of our middle managers. With the help of external professional trainers, we organised a few offsite trainings. We are making every effort to promote diversity (both gender and race) in all the departments.

The sustainability team also conducted several engagement and communication sessions with almost everyone in the Group on our commitment to building a sustainable future.

We will continue to prioritise the safety and health of our employees, making sure that we create a work environment that is safe and conducive for them to excel at ALCOM/ANSC. We are an equal opportunity organisation that strives to engage with the marginalised and minorities.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

MANUFACTURING SEGMENT (CONTINUED)

Anticipated Risks

The potential escalation of geopolitical tension around the world will be one major risk of slower demand going into 2024.

The forecasted demand coming from the Europe region is expected to be slower this year with some countries struggling with lower gross domestic product (GDP) growth rates and high energy costs.

Cybersecurity remains to be our key concern. We continue to leverage on the best available tools and expertise in protecting our information technology system.

Our team at ALCOM/ANSC continues to be challenged by the machines' reliability and productivity. We have to keep upgrading the system with high maintenance costs. Where it is possible we are continuously automating and digitising our system and machines to mitigate the risk.

The implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) is currently in the early trial stages, and as exporters, we are expected to comply with the required documentation. We are making every effort to prepare ourselves to meet the challenges ahead.

We have seen the weakening of the MYR against the USD in parallel with the interest rate increase in the US. Most analysts have forecasted a stronger MYR towards the 2nd half of 2024. As most of our exports are in USD, this will have a negative impact on our bottom line.

Impairment Review

A review of all assets has been undertaken and there is no requirement for any impairment in FY2023.

Forward-looking Statement

We are committed to building a sustainable organisation by offering sustainable aluminium solutions to our customers. We are putting in place people and processes that enable us to build a sustainable future. We are working towards our goal of being the first aluminium rolling plant to fully employ renewable energy. We are on the journey to reduce our carbon footprint by increasing recycled content, optimising energy usage and educating/promoting sustainability to our employees and the surrounding communities.

Economically, there are much uncertainties and the risks are high as we move forward into 2024. Economies around the world are slowing down with the geopolitical tension hanging over us. These are not unique to the Group's manufacturing segment but it is a situation which we are confronting with a clear direction ahead.

We remain optimistic that things will be clearer towards the 3rd quarter of 2024. There are economies and markets that continue to thrive amidst the storm in which we will direct our resources and focus on. We will pursue these pockets of opportunities as they arise while we continue to improve our productivity in the manufacturing segment. We will be increasing our exposure to artificial intelligence (AI) solutions and automating our internal processes in our pursuit of manufacturing excellence.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

PROPERTY DEVELOPMENT SEGMENT

Overview

In 2023, the Malaysian property market displayed resilience and signs of recovery, marked by increased transaction activity. As outlined in the 2023 Property Market Report issued by the Ministry of Finance Malaysia, a total of 399,008 transactions valued at RM196.83 billion were recorded. These figures represent growth of 2.5% and 9.9%, respectively, compared with 2022, when 389,107 transactions amounting to RM179.07 billion were reported. Across various sectors, market activity demonstrated positive momentum. The residential, commercial, industrial, and development land sub-sectors all experienced year-on-year growth rates of 3.0%, 23.3%, 0.9%, and 5.0%, while the agricultural sub-sector saw a decline of 7.8% in volume.

The growth in the 2023 property market can be attributed significantly to improved labour market conditions and various government policies. Notably, the government extended the full stamp duty exemption on transfer instruments and loan agreements for Malaysian citizens purchasing their first residential home priced up to RM500,000 until December 31, 2025. Furthermore, there was an increase in stamp duty remission from 50% to 75% for the purchase of first residential properties priced between RM500,000 and RM1 million by Malaysian citizens. This policy was applicable to sale and purchase agreements executed until December 31, 2023. Additionally, the overnight policy rate has been maintained at 3% since May 2023, and there have been relaxations in the Malaysia My Second Home (MM2H) program.

The Property development segment is cautiously optimistic about the outlook of the property market and to ensure a consistent pipeline of development opportunities, the segment has demonstrated resilience through its strategic acquisition of valuable land banks.

Property Development Strategy and Milestone

Following a remarkable sales performance in FY2022, the property development segment's priority in FY2023 was to sell the remaining unsold units in EMHub Kota Damansara. The sustained surge in demand for modern industrial properties designed for warehousing and office spaces in strategic and advantageous locations was highly encouraging for our team. Through the concerted efforts of our sales and marketing team, along with successful collaborations with external agencies, we successfully capitalised on the rising demand for industrial space, resulting in EMHub being almost fully sold.

FY2023 signified another significant achievement as we handed over vacant possession of both Hub 1 and Hub 2 at EMHub in March 2023 and August 2023, respectively. This milestone marked the successful completion of the Group's maiden property development project. It stands as a testament to our unwavering commitment to excellence and timeliness, further solidifying our reputation as a reliable property developer capable of delivering high-quality projects within stipulated timelines. Looking ahead, our focus within the property development segment will pivot towards meticulously planning and executing our upcoming project in the pipeline - a mixed-use development in Bukit Raja, Klang, Selangor.

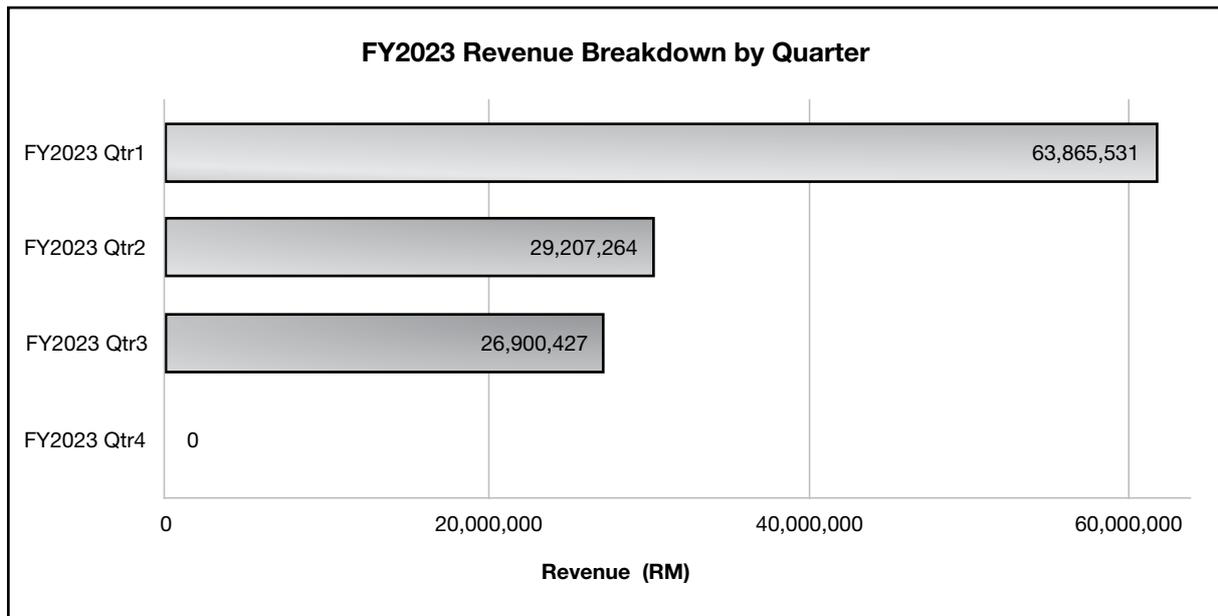
Given the current economic challenges such as inflation, interest rate fluctuations, and concerns about the cost of living, coupled with currency depreciation impacting raw materials costs for local property developers, the segment is actively reviewing costing strategies and evaluating the optimal timing for the launch of our upcoming project.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

PROPERTY DEVELOPMENT SEGMENT (CONTINUED)

Sales Performance and Success Factors



In FY2023, EMHub achieved sales revenue of RM119.97 million, which represented a decrease compared to FY2022. This was mainly attributable to the reduced inventory levels. This reflected our commitment to clearing unsold units and capitalising on sales opportunities. The key to our success in clearing the unsold inventory was the strong collaboration and concerted efforts of our team members, who worked diligently towards achieving our goal. Through the strategic utilisation of our established partnerships with real estate agencies, we successfully targeted potential customers seeking warehouse, office and showroom spaces. By harnessing the power of positive word-of-mouth referrals and recommendations from satisfied clients, we effectively engaged our target audience and garnered significant interest in EMHub.

Another pivotal factor that contributed to our sales success was the completion and handover of Hub 1 in March 2023. This milestone allowed potential buyers to physically visit the site, view the available units and experience the quality and features of the property firsthand. This increased transparency and accessibility which instilled confidence in prospective buyers, facilitated their decision-making process and ultimately drove sales.

By implementing these strategies, leveraging collaborative efforts, and enhancing customer experience through physical site visits, we were able to overcome challenges, drive sales performance, and position EMHub for continued success in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

PROPERTY DEVELOPMENT SEGMENT (CONTINUED)

Enhancing the Delivery of Vacant Possession

EMHub stands as Malaysia's pioneering development of a strata ramp-up commerce hub, embodying a steadfast commitment to convenience, security and well-planned infrastructure since its inception. The project's excellence unfolded across two distinct phases: Hub 1, comprising 251 units, launched in FY2018, and Hub 2, with 217 units, introduced in FY2021. The timely delivery of vacant possession of Hub 1 was successfully accomplished in March 2023, followed by Hub 2 in August 2023.

By December 2023, a total of 453 units across Hub 1 and Hub 2 had been handed over to purchasers. During the vacant possession handover process, our dedicated sales and marketing team conducted a comprehensive survey to gauge customer satisfaction levels. The results revealed an impressive rating of 4.6 out of 5.0, underscoring the positive experiences and smooth journey that EMHub owners underwent during the key collection process.



EMHub Project Progress as of August 2023

Forward-looking Statement

With the successful performance under the EMHub brand and the effective clearance of EMHub unsold inventories, the Group's property development segment is now poised to advance to the next project in the Klang Valley.

The segment, represented by AG Avenue Sdn. Bhd., has embarked on the acquisition of two contiguous leasehold vacant commercial land parcels totalling approximately 7.08 acres in Bukit Raja, Klang, Selangor. This endeavour was formalised through a conditional sales and purchase agreement signed in April 2023 with 88 Legacy Sdn. Bhd., a wholly-owned subsidiary of Malaysia Building Society Berhad for a total cash consideration of RM56,000,000. The completion of this acquisition is subject to the fulfilment of the conditions precedent of the said agreement.

These two prime parcels of commercial land are located near the upcoming LRT3 Bandar Baru Klang station and we intend to develop the subject land into a proposed mixed development project featuring commercial lots, SOHO and service apartments. This strategic investment is poised to generate favourable returns for our stakeholders in the future, as we capitalise on the promising prospects brought by the impending commencement of the LRT3 line operations. The recent confirmation by the Transport Minister that Phase 1 of the LRT3 line is scheduled to start its services by March 2025, followed by Phase 2 in the second quarter of 2027, serves as a significant catalyst for the growth and development of the surrounding area.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

PROPERTY DEVELOPMENT SEGMENT (CONTINUED)

Forward-looking Statement (continued)

Moreover, with the recent elevation of Klang to city status, marking it as the fourth district in Selangor to achieve such recognition after Petaling Jaya, Subang Jaya and Shah Alam, the inherent value of the land we have acquired for our proposed mixed-use development has been further heightened. This announcement not only underscores the burgeoning potential of Klang as a thriving urban centre, but also solidifies our confidence in the robust demand that is expected to ensue from property buyers seeking prime real estate in this burgeoning city.

We firmly believe that this strategic acquisition, coupled with the infrastructural advancements and government initiatives in the Klang region, will spark significant interest among property buyers and investors alike. As we embark on this exciting journey towards creating a transformative mixed-use development that aligns with the evolving landscape of Klang, we remain committed to maximising shareholder value and delivering sustainable growth in the years to come.

REVIEW OF OPERATING ACTIVITIES

CONSTRUCTION SEGMENT

Overview

This segment comprises AGB Builders and AD&W. AGB Builders was engaged solely as the main contractor in the construction of EMHub. In FY2023, 73% of this segment's total revenue was internally generated from the EMHub project, whilst the remaining 27% was from AD&W's external customers.

2023 was a period of stabilisation for major economic sectors. The construction sector too showed promising signs starting in mid-2023, with projects launched by the government, private sector and foreign direct investment. The government's initiatives to address labour shortages in mid-2023 have had a positive impact, minimising labour issues and providing a boost to most industries. Costs and associated fees have risen in tandem with the increase in basic monthly pay, which now applies to foreign labour as well. We are quite hopeful that this period of stabilisation will pave the way for an economic upswing in the forthcoming years.

Due to the limited number of new projects launched in FY2022 and a lower volume of work, AD&W's external revenue for FY2023 decreased to RM10.30 million, nearly half of its FY2022 external revenue. AD&W was only able to complete a few notable projects, such as Dexcom and Putrajaya P8, along with some smaller projects. Nevertheless, new projects enquiries began to steadily flow in during the second half of FY2023, with physical site works scheduled to be carried out in 2024.

The new projects secured in FY2023 include PERKESO's Rehab Centre in Ipoh, Jabil in Chuping Perlis, and several others. These new projects are expected to generate around RM17.50 million in revenue for the year 2024 based on current orders. We are highly optimistic that the total revenue for 2024 will surpass the RM21.94 million achieved in FY2022. In May 2023, a high-level general manager was recruited to lead the sales and marketing efforts, with the aim of boosting revenue for the forthcoming year. A contract manager was recruited to oversee contractual terms and ensure the timely submission of claims for all projects, so as to improve company cash flow. Ten foreign site workers of Bangladeshi origin have also been recruited to mitigate overreliance on Indonesian workers.

One major setback for AD&W in FY2023 was its inability to secure a breakthrough in landing a high-volume and high-value job in insulated wall panel, despite coming close on several occasions. We are still actively seeking similar insulated wall panel projects by collaborating closely with another well-known European brand, Brucha. We hope that by offering the option of using a European brand, competitive pricing and technical know-how, AD&W will be able to secure its first contract in insulated wall panels.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES (CONTINUED)

CONSTRUCTION SEGMENT (CONTINUED)

Forward-looking Statement

With private or foreign direct investment taking the lead in pursuing initiatives in data centre developments, large-scale logistic and warehousing and semiconductor industrial buildings, the construction industry is expected to see a brighter prospect in 2024, despite the government's cautious spending practices. We are eagerly anticipating the government's soon-to-be-launched MRT3 and HSR projects.

The major challenges that have direct implications for contractors are material prices and labour issues. With the MYR at a new low against the USD and conflicts in the Middle East and Ukraine, we anticipate an increase in raw material prices, although the extent of this increase is difficult to predict. The weakening of the MYR also poses a challenge in attracting foreign labour to the construction industry. Therefore, it is essential to prioritise material and labour cost analysis during the tender stage and conduct regular monitoring as the works progresses.

AWARD AND RECOGNITION

In September 2023, AGB was awarded The Edge Malaysia Centurion Club Corporate Award 2023 for achieving the highest return on equity (ROE) over three years (2020 – 2022) in the industrial products and services sector. This is in recognition of AGB's outstanding financial performance in the said category, outshining its peers, despite the tough business conditions the sector had to face amid raging inflation and heightened geopolitical tensions, following the outbreak of the Covid-19 pandemic in FY2020. This prestigious award has indeed motivated AGB to strive towards even greater success, providing us the impetus to be a global brand representing Malaysia as an industry leader and to build a better future that is filled with infinite possibilities.



The Edge Malaysia Centurion Club Corporate Award 2023 for the Highest Return on Equity (ROE) Over Three Years in the Industrial Products & Services Sector

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Alcom Group Berhad (“AGB” or “the Company”) is fully committed to the principles and recommendations of the Malaysian Code on Corporate Governance (“MCCG”). This ensures that the best practices of corporate governance including accountability and transparency are adhered to by the Company to achieve long-term financial performance and growth as the Board is mindful of its accountability to the shareholders and various stakeholders of the Company.

The Board is pleased to report to the shareholders on the Company’s application of the 3 key principles of the MCCG during the financial year ended 31 December 2023 (“FY2023”):

- (a) Board leadership and effectiveness;
- (b) Effective audit and risk management; and
- (c) Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Clear Roles and Responsibilities of the Board

The Board’s role is to provide stewardship of AGB and its group of companies (“the Group”) and direction for Management. The Board is collectively responsible and accountable to the Company’s stakeholders for the long-term success of the Group. The Board is guided by the Board Charter, which outlines the role, composition and responsibilities of the Board with regard to matters that are specifically reserved for the Board as well as those which the Board may delegate to the relevant Board Committees.

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group. The responsibilities of the Board include:

- (i) Ensuring that the Group’s goals are clearly established, the necessary resources are in place for the Group to meet its objectives and that a strategic plan, which promotes long-term value creation and includes strategies on economic, environmental, safety and health, social and governance considerations underpinning sustainability, are in place to achieve them;
- (ii) Establishing policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
- (iv) Appointing the Managing Director/Chief Executive Officer/Executive Director, including setting the relevant terms and objectives and where necessary, terminating his/her employment with the Group;
- (v) Ensuring that the Group has appropriate and sound business risk management framework and corporate governance framework, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines, and controls to identify, analyse, evaluate, manage and monitor significant financial, non-financial and business risks;
- (vi) Appointing board committees to address specific issues, considering recommendations of the various board committees and discussing problems and reservations arising from these committees’ deliberations and reports;
- (vii) Ensuring that the statutory accounts of the Company and the Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- (viii) Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Clear Roles and Responsibilities of the Board (continued)

- (ix) Ensuring that the Group adheres to high standards of ethics and corporate behaviour in accordance with the Group's Code of Conduct including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice;
- (x) Reviewing the Board Charter periodically and making it available publicly on the Company's website including the Terms of Reference ("TOR"), which deals with the respective committees e.g. Remuneration Committee's TOR in respect of its authority and duties that are disclosed in the Company's website;
- (xi) Ensuring that there is in place an appropriate corporate disclosure policy and procedure which leverage on information technology for effective dissemination of information, to ensure comprehensive, accurate and timely disclosures; and
- (xii) Ensuring that there is in place an appropriate investor relations and communications policy which encourages shareholders' participation at general meetings and promotes effective and transparent communication and proactive engagements with shareholders.

The Board also reviews the principal risks arising from all aspects of the Group's businesses that have significant impact on operations to ensure that there are systems in place to effectively monitor and manage these risks.

Roles of the Chairman and the President cum Chief Executive Officer

There is a clear and distinct division of responsibilities between the Chairman and President cum Chief Executive Officer ("CEO") to ensure that there is an appropriate balance of power and role, responsibility and accountability at Board level.

The Chairman is responsible for the smooth running of the Board and encourages active participation by Board members and provides reasonable time for discussion of issues raised at meetings. Decisions reached at Board meetings reflect the consensus of the whole Board and not the views of any individual or group.

The President cum CEO is primarily responsible for the day-to-day operations of the Company, which includes implementation of policies and strategies adopted by the Board. The President cum CEO is also responsible for communicating matters relating to the financial results, market conditions and other developments to the Board. His knowledge of the Group's affairs contributes significantly towards the attainment of the Group's goals and objectives.

Board Charter

The Board adopts a Board Charter, which outlines the composition of the Board together with the roles and responsibilities of the Board, the Chairman, the Managing Director/CEO/Executive Director, the Independent Non-Executive Directors/Senior Independent Non-Executive Director, Non-Executive Directors and the Company Secretaries. The contents include the Schedule of Matters Reserved for Collective Decision of the Board.

The Board Charter will be subjected to periodical review cum updates by the Board whenever deemed necessary. The Board Charter is available for reference on the Company's website at www.alcom.com.my.

The Board Charter was reviewed and updated on 28 November 2023 in line with the needs of the Group and the new regulations that impacted the discharge of the Board's responsibilities. This is to ensure its relevance for good corporate governance practices within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Code of Conduct and Ethics

The Board is guided by both the Directors' Code of Best Practice in the Board Charter and the Code of Ethics established by the Companies Commission of Malaysia for Company Directors. The Code of Ethics sets out the principles in relation to sincerity, integrity, responsibility and corporate social responsibility. The Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour of Directors based on trustworthiness and values that can be accepted, and to uphold the spirit of responsibility and social responsibility in line with legislation, regulations and guidelines for administering the Group.

The Group has also put in place the Code of Conduct which outlines the expectations for employees executing their duties in an ethical manner. In order to maintain the Group's reputation, it is important for all to be aware of and understand the tenets of the Code of Conduct and adhere accordingly. To achieve this purpose, a mandatory training module that outlines what the Code of Conduct means and its expectation from the employees has been developed and conducted for new employees and interns during the induction programmes.

A whistle-blowing procedure also forms part of the Group's Code of Conduct to provide an avenue for employees/public to report/complain of any wrongdoing by any employee of the Group, or any breach or suspected breach of any laws or standards in a safe and confidential manner.

The Group had adopted the Integrity & Anti-Corruption Policy in accordance with the issued guidelines by the Governance, Integrity and Anti-Corruption Centre to minimise the Group's exposure to corporate liability as provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into force on 1 June 2020. The Integrity & Anti-Corruption Policy is available on the Company's website at www.alcom.com.my.

Understanding of and adherence to the Code of Conduct and Integrity & Anti-Corruption Policy will help ensure that the Group remains a highly regarded organisation that is admired by customers, employees, shareholders, suppliers and communities worldwide.

Strategies Promoting Sustainability

The Board is committed to sustainable operations. Striving to become a truly sustainable enterprise also means an unwavering focus on what the Board sees as the foundation of being a sustainable company, through the following various initiatives that deal with strategy for sustainability:

- operating ethically and responsibly to meet the expectation of our stakeholders.
- being stewards of the environment; by helping to reduce carbon footprint and energy use. Our concerns for environmental issues extend beyond our facility to those of our stakeholders.
- protecting the health and safety of our people; our primary concern is for the health and safety of our employees. Our Group also looks into developing our people to enhance their skills and expertise.
- contribution to the communities where we operate; an essential hallmark of our Group is the commitment to give back to the community.

The initiatives taken in FY2023 are set out in the Sustainability Report which can be found on the Company's website at www.alcom.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Access to Information and Advice

Prior to Board meetings, all Directors receive notices of meetings together with the full set of Board papers containing information relevant to the businesses prior to the scheduled Board and Board Committee meetings. Reports include key result areas, operational profitability and performance review statements, human resource developments, environment, occupational health and safety, business plans, successions, strategies, as well as proposed announcements and releases comprising quarterly and year-end financial results to Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board papers are issued to each Director at least 5 working days before each meeting.

Management reports presented to the Board during the Board meetings in FY2023 included the following information:

- Environment, Health & Safety (“EHS”) Performance Review
- Financial Review
- Plant Operations: Productivity and Quality
- Commercial Review
- Operations Review
- Strategic Activities Updates
- People & Sustainability
- Legal and Regulatory Updates
- Information Systems Updates
- Overall Market Outlook/Challenges
- Property Development and Construction Segments Updates
- Forecasts and Annual Budget

The Board has unrestricted access to and interaction with the Senior Management on issues under their respective purview. Where necessary, Senior Management will be invited to attend Board and Board Committee meetings to report and update on areas of business within their responsibility so as to provide Board members with insights to the business and to clarify issues raised by Board members in relation to the Group’s operations. Board members are encouraged to share their views and insights in the course of deliberations and discussions.

All Board members have direct access to the advice and services of the Company Secretaries for the purpose of the Board’s affairs and the business. The Company Secretaries are responsible for ensuring that the Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretaries keep the Board members updated on new requirements, guidelines and rulings issued by the relevant regulatory authorities, as and when it arises.

Composition of the Board

The Board currently comprises an Independent Non-Executive Chairman, 4 Independent Non-Executive Directors, a President cum CEO, 2 Executive Directors, and an Alternate Director. The Chairman has never held any prior executive positions in the Group. The Directors bring to the Board a wide range of skills and experience in fields such as accounting and audit, corporate finance, investment banking, legal, civil engineering, manufacturing, trading, property development and investment, building and construction.

Paragraph 15.02 of the Main Market Listing Requirements (“MMLR”) of Bursa Securities stipulates that at least 2 Directors or one-third of its Board members, whichever is higher, must be made up of Independent Non-Executive Directors. The Board balance is achieved with the presence of 5 Independent Non-Executive Directors. Collectively, they ensure that plans and strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of all shareholders and stakeholders of the Company including employees, customers, suppliers and the local community in which the Group conducts its businesses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Committees

For the effective functioning of the Board, the Board is assisted by Board Committees, namely the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee. The Board Committees operate within clearly defined Terms of Reference. All these Committees are wholly made up of Independent Non-Executive Directors of the Board. Management and third parties are invited to attend or are co-opted to such Committees as and when required. In addition, special committees are formed for specific purposes, as and when required. Reports of proceedings and outcome of the various Committee meetings are submitted to the Board.

A. Audit and Risk Management Committee

The composition and activities of the Audit and Risk Management Committee (“ARMC”) during FY2023 are set out in the ARMC Report on pages 40 and 41 of this Annual Report.

B. Remuneration Committee

The Remuneration Committee (“RC”) of AGB composes entirely of Independent Non-Executive Directors. They are currently:

Lam Voon Kean (*Chairperson*)
Wong Choon Shein (*Member*)
Gong Wooi Teik (*Member*)

The RC’s primary responsibility is to review and recommend the remuneration policy and framework for the Directors of the Company, with the objective of attracting and retaining Directors. The Terms of Reference of the RC and the Remuneration Policy for Directors and Senior Management are available on the Company’s website at www.alcom.com.my.

The RC held 2 meetings in FY2023 and full attendance of its members was recorded at both meetings, as follows:

Member	Number of meetings attended in FY 2023	Percentage of Attendance
Lam Voon Kean	2 out of 2 meetings	100
Wong Choon Shein	2 out of 2 meetings	100
Gong Wooi Teik	2 out of 2 meetings	100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Committees (continued)

B. Remuneration Committee (continued)

The remuneration of the Directors of AGB (comprising remuneration received and/or receivable from AGB and its subsidiaries) during FY2023 were categorised as follows:

	Executive Directors			Alternate Director	Non-Executive Directors					TOTAL
	Heon Chee Shyong	Yeoh Jin Hoe	Goh Teck Hong	Marc Francis Yeoh Min Chang ⁽³⁾	Dato' Seri Subahan Bin Kamal	Wong Choon Shein	Lam Voon Kean	Datin Shelina Binti Razaly Wahi	Gong Wooi Teik	
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fees	-	-	-	-	79	80	107	100	100	466
Allowances	-	-	-	-	9	9	18	11	11	58
Salaries ⁽¹⁾	1,346	327	514	385	-	-	-	-	-	2,572
Bonuses	274	4,025	37	28	-	-	-	-	-	4,364
Benefits-in-kind ⁽²⁾	29	-	-	-	-	-	-	-	-	29
Other Emoluments	-	-	-	-	-	-	-	-	-	-
Total	1,649	4,352	551	413	88	89	125	111	111	7,489
Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fees	-	-	-	-	79	80	107	100	100	466
Allowances	-	-	-	-	9	9	18	11	11	58
Salaries ⁽¹⁾	-	-	514	-	-	-	-	-	-	514
Bonuses	-	-	37	-	-	-	-	-	-	37
Benefits-in-kind ⁽²⁾	-	-	-	-	-	-	-	-	-	-
Other Emoluments	-	-	-	-	-	-	-	-	-	-
Total	-	-	551	-	88	89	125	111	111	1,075

Notes:

⁽¹⁾ Salaries comprised basic salary, EPF, SOCSO and EIS.

⁽²⁾ Benefits-in-kind comprised provision of company motor vehicle, petrol expenses, driver, medical reimbursement, insurance and phone bill.

⁽³⁾ Alternate Director to Executive Director, Yeoh Jin Hoe and Director of subsidiary company, Alcom Nikkei Specialty Coatings Sdn. Bhd.

The number of Directors of AGB who served during FY2023 whose total remuneration falls within the following bands, were as follows:

Range of Remuneration	Number of Directors
Non-Executive Directors	
Between RM50,001 – RM100,000	2
Between RM100,001 – RM150,000	3
Executive Directors	
Between RM400,001 – RM450,000	1
Between RM550,001 – RM600,000	1
Between RM1,600,001 – RM1,650,000	1
Between RM4,350,001 – RM4,400,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Committees (continued)

B. Remuneration Committee (continued)

The remuneration package for the Executive Directors and Non-Executive Directors included some or all of the following elements:-

(i) Basic Salary

The basic salary for the Executive Directors takes into account the performance of the individual as well as the prevailing market salary rate for similar jobs in a selected group of comparable companies.

(ii) Fees

Fees payable are subject to shareholders' approval at the Annual General Meeting ("AGM").

(iii) Allowances

Travelling allowance for Board meetings and Board Committees meetings are paid to the Non-Executive Directors.

(iv) Bonus Scheme

The Group operates a bonus scheme for all employees including Executive Directors based on performance of the Group along with an assessment of the individual's performance.

(v) Benefits-in-Kind

The Group's motor vehicle, petrol expenses, driver, hand-phones, club memberships and medical reimbursement are made available as benefits-in-kind to the Executive Directors, wherever appropriate.

In determining the remuneration packages of the Group's Senior Management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents. On the disclosure of the remuneration of the top 5 Senior Management personnel, the Board was of the view that it would not be in its interest to make such disclosure on a named basis because of the competitive nature of the human resource market and to support the Group's efforts to attract and retain executive talent.

The remuneration of the top 5 Senior Management personnel of the Group (comprising remuneration received and/or receivable from the Company and its subsidiaries) during FY2023 were categorised as follows:

Senior Management personnel	Group (RM'000)	Company (RM'000)
Salaries ⁽¹⁾	2,547	–
Allowances	–	–
Bonuses	949	–
Benefits-in-kind ⁽²⁾	120	–
Other emoluments	–	–
Total	3,616	–

Notes:

⁽¹⁾ Salaries comprised basic salary, EPF, SOCSO and EIS.

⁽²⁾ Benefits-in-kind comprised provision of company motor vehicle, petrol expenses, insurance and phone bill.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Committees (continued)

B. Remuneration Committee (continued)

The number of top 5 Senior Management personnel of the Group whose total remuneration falls within the following bands in FY2023, were as follows:

Remuneration Range	Number of Senior Management personnel
Between RM450,001 – RM500,000	1
Between RM650,001 – RM700,000	2
Between RM900,001 – RM950,000	2

C. Nomination Committee

The Nomination Committee (“NC”) of AGB is entirely made up of Independent Non-Executive Directors. They are currently:

Wong Choon Shein (*Chairman*)
Lam Voon Kean (*Member*)
Datin Shelina Binti Razaly Wahi (*Member*)

The NC is charged with the responsibility of overseeing the selection and assessment of Directors. The terms of reference of the NC are available on the Company’s website at www.alcom.com.my.

During FY2023, the NC held 1 meeting and full attendance of its members was recorded at the meeting.

A summary of the key activities undertaken by the NC in the discharge of its duties for FY2023 were as follows:

- (i) Assessed and reviewed the independence of the Independent Directors and their tenure of service as Independent Directors of the Company;
- (ii) Evaluated each individual Director to assess the Director’s calibre and ability to understand the requirements, risk and management of the Group’s business; his/her contribution and performance; his/her character, integrity and professional conduct in dealing with conflict of interest situations; his/her ability to critically challenge and ask the right questions; his/her commitment and due diligence; his/her confidence to stand up for a point of view; his/her interaction at meetings and his/her training records for the current year under review;
- (iii) Evaluated the Board and the Board Committees to assess their mix, composition, size, roles, responsibilities as well as their activities, communications and effectiveness for the current year under review;
- (iv) Conducted the conflict of interest assessment for each individual Director;
- (v) Endorsed the re-election of Directors, Dato’ Seri Subahan Bin Kamal, Goh Teck Hong and Gong Wooi Teik who will be up for retirement pursuant to Clause 82 of the Constitution of the Company at the close of the Sixth Annual General Meeting (“AGM”) of the Company to be held in 2024; and
- (vi) Recommended to the Board the revised Board Charter of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Committees (continued)

C. Nomination Committee (continued)

The NC, after having conducted the abovementioned evaluation and assessment on 28 November 2023, concluded that:

- (i) the Independent Directors of the Company, viz., Dato' Seri Subahan Bin Kamal, Wong Choon Shein, Lam Voon Kean, Datin Shelina Binti Razaly Wahy and Gong Wooi Teik, continued to demonstrate conduct and behaviour that are essential indicators of their independence and each of them continues to fulfil the definition and criteria of independence as set out in the MMLR of Bursa Securities.
- (ii) each Director has the requisite competence, calibre to serve on the Board and Board Committees and had demonstrated his/her commitment to the Group in terms of time, participation and dialogue during the current year under review. The NC endorsed the re-election of Directors, Dato' Seri Subahan Bin Kamal, Goh Teck Hong and Gong Wooi Teik who will be retiring at the Sixth AGM in 2024.
- (iii) none of the Directors of the Company had improperly used his or her position in the Company to gain a benefit or advantage for himself or herself or any other person, or to cause detriment to the Company and/or the Group.
- (iv) the Board and the Board Committees' respective responsibilities were well defined and set out in the Board Charter. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the Malaysian Institute of Accountants or a person approved under the MMLR of Bursa Securities is met. The Practices set out in the MCGG pertaining to the composition of the ARMC have also been adopted.

The Board members unanimously concurred with the above conclusions of the NC.

Assessment on Independence of Director

The Board, through the NC had on 28 November 2023, conducted an assessment on the independence of the Independent Directors of the Board, using the Independent Directors' Self- Assessment Checklist. The Board has determined, from the annual assessment carried out, that all the 5 Independent Non-Executive Directors viz., Dato' Seri Subahan Bin Kamal, Wong Choon Shein, Lam Voon Kean, Datin Shelina Binti Razaly Wahy and Gong Wooi Teik who had served on the Board during FY2023, had remained objective and independent in expressing their views and in participating in deliberations and decision making of the Board and the Board Committees.

Tenure of Independent Directors

The Company has implemented a cumulative 9 year-term limit for Independent Directors. The Board Charter has adopted Step Up Practice 5.4 of the MCGG on 1 December 2021 where the tenure of Independent Directors is limit to 9 years without further extension. After 9 years, such Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Appointments and Re-elections to the Board

The NC is empowered to identify and recommend candidates for new appointments to the Board. In this process, the NC takes into cognisance, the following criteria:

- (i) Size, balance, composition, mix of skills, qualification, experience, age, cultural background, gender, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and the Group.
- (ii) The candidate's skills, knowledge, expertise and experience, character, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence as defined in the MMLR of Bursa Securities to bring about independence and objectivity in judgement on issues considered and hence, the ability to discharge responsibilities as expected from an Independent Non-Executive Director.
- (iii) The candidate's understanding of the Group's businesses and activities; and factors that promote boardroom diversity, including gender diversity and other qualities of the Board.

Clause 82 of the Company's Constitution provides that an election of Directors shall take place each year and at the AGM, one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

Clause 86 of the Company's Constitution provides that any Director so appointed during a year, shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the retirement of Directors by rotation at such meeting.

A Director seeking re-election shall abstain from all deliberations regarding his/her re-election to the Board. Directors, Dato' Seri Subahan Bin Kamal, Goh Teck Hong and Gong Wooi Teik are due to retire by rotation at the conclusion of the Sixth AGM of the Company to be held on 19 June 2024 pursuant to Clause 82 of the Company's Constitution and have offered themselves for re-election at the said AGM.

The Board members had, at the Board meeting on 28 November 2023 with Dato' Seri Subahan Bin Kamal, Goh Teck Hong and Gong Wooi Teik abstaining from deliberation and voting, endorsed all the aforesaid Directors for re-election at the Sixth AGM of the Company to be held on 19 June 2024.

Gender Diversity Policy

The Board had on 1 December 2021 adopted the revised Board Diversity Policy to set the target and timeframe for the Company to achieve at least 30% woman participation on the Board by 2023.

The said Policy stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

Meetings and Time Commitment

The Board meets on scheduled basis at least 4 times a year on a quarterly basis, with additional meetings convened, when necessary, to consider urgent proposals or matters that require the Board's attention. The President cum CEO, the Managing Director of a subsidiary and Finance Director, attend the meetings to report on the performance of their respective segments/departments to enable the Board members to discharge their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Meetings and Time Commitment (continued)

During FY2023, 5 Board meetings detailed below were held and the attendances of the Directors were as follows:

Director	Number of meetings attended in FY 2023	Percentage of Attendance
Dato' Seri Subahan Bin Kamal	4 out of 5 meetings	80
Heon Chee Shyong	5 out of 5 meetings	100
Yeoh Jin Hoe	4 out of 5 meetings	80
Goh Teck Hong	4 out of 5 meetings	80
Wong Choon Shein	5 out of 5 meetings	100
Lam Voon Kean	5 out of 5 meetings	100
Datin Shelina Binti Razaly Wahi	5 out of 5 meetings	100
Gong Wooi Teik	5 out of 5 meetings	100

To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, 1 criterion as agreed by the Board for determining candidates for the pool of potential Directors is that they must not hold more than 5 directorships in public listed companies (as prescribed under Paragraph 15.06 of the MMLR of Bursa Securities).

The Directors also made time to attend appropriate external training programs to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of latest developments in the marketplace. The training programs/webinars/dialogues attended/participated by the Directors of the Company during FY2023 were as follows:

Director	Topics of Programs/Seminars/Dialogues	Date
Dato' Seri Subahan Bin Kamal	Enhanced Sustainability Reporting Requirements in the Listing Requirements	30 May 2023
	Advancing Environmental, Social and Governance ("ESG") Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023
Heon Chee Shyong	China Green Aluminium Summit 2023	23 March 2023 & 24 March 2023
	Public Listed Companies ("PLCs") Transformation Programme #digital4ESG Forum: Exploring the Intersection of Digitalisation and ESG	10 May 2023
	40 th Edition of ASEAN Innovation Business Platform Conference and Exhibition 2023	4 July 2023 & 5 July 2023
	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	22 August 2023
	HSBC Global Connections 2023	5 – 7 September 2023
	International Public Employment Forum 2023: Building a Resilient Workforce – The MADANI Approach	11 – 13 October 2023
	FTSE4Good ESG Ratings for All PLCs	25 October 2023
	Advancing ESG Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Meetings and Time Commitment (continued)

Director	Topics of Programs/Seminars/Dialogues	Date
Yeoh Jin Hoe	Advancing ESG Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023
	Malaysia 2024 Budget Highlights and preparing for e-Invoicing	7 December 2023
Goh Teck Hong	Malaysia 2024 Budget Highlights and preparing for e-Invoicing	7 December 2023
Wong Choon Shein	Conflict of Interest (“COI”) and Governance of COI	15 August 2023
	Advancing ESG Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023
Lam Voon Kean	Task Force on Climate-Related Financial Disclosures (“TCFD”) 101 : Introduction to climate-related financial disclosures	2 March 2023
	TCFD 102: Building experience and expertise on climate-related financial disclosures	3 March 2023
	Base Erosion Profit Shifting (“BEPS”) Pillar Two: What is your next step?	5 April 2023
	Sustainability Governance and Reporting	27 June 2023
	Asia Pacific Board Leadership Centre Webinar: 2023 Board and Audit Committee Priorities	6 July 2023
	International Sustainability Standards Board (“ISSB”) – Malaysian Accounting Standards Board (“MASB”) Virtual Outreach – Request for Information: Consultation on Agenda Priorities	10 July 2023
	Introducing the first ISSB Standards	20 July 2023
	The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	4 September 2023
	Advancing ESG Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023
	Audit Oversight Board’s Conversation with Audit Committee	27 November 2023
	Datin Shelina Binti Razaly Wah	ESG Reporting: A Key to Value Creation Today
The Global Sky Forum: Business Aviation 2023		22 February 2023 & 23 February 2023
Aerospace Financing Framework		23 March 2023
Conference on International Aviation & Space Financing Law: Challenges, Changes, Innovations		9 June 2023
Modernising Data Governance: What should Boards Focus on Now?		12 June 2023
Global Leaders Mergers & Acquisitions Forum		5 July 2023 & 6 July 2023
Case Study-Based Webinar: Sustainability and Climate Change Disclosure Requirements		17 July 2023
Permodalan Nasional Bhd (“PNB”) Knowledge Forum 2023: Harnessing Innovation and Technology for Sustainable Business		27 July 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Meetings and Time Commitment (continued)

Director	Topics of Programs/Seminars/Dialogues	Date
Datin Shelina Binti Razaly Wahy (continued)	Integrating ESG into Organisational Financial Reporting Framework	15 August 2023
	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	12 September 2023
	Corporate Jet Investor Asia 2023	19 September 2023 & 20 September 2023
	Malaysian Institute of Accountants Webinar Series: Board of Director Leadership - Effective Climate Governance	30 October 2023
	The Employees Provident Fund (“EPF”) Private Markets Summit 2023	1 November 2023 & 2 November 2023
	Sustainability/ESG Discovery Training	14 November 2023
	PNB Knowledge Forum: Education Reimagined	15 November 2023
	Training on Section 17A of the Malaysian Anti-Corruption Commission Act 2009	23 November 2023
	Audit Oversight Board’s Conversation with Audit Committee	27 November 2023
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4 December 2023 & 5 December 2023
Gong Wooi Teik	New Transfer Pricing Horizon: Transition or Transformation	28 July 2023
	2024 Budget Seminar	25 October 2023
	Advancing ESG Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023
	Audit Oversight Board’s Conversation with Audit Committee	27 November 2023

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Suitability and Independence of External Auditors

The Board through the ARMC, maintains a transparent and professional relationship with the Group’s External Auditors. The ARMC meets with the External Auditors at least twice a year to discuss their audit plans and audit findings in relation to the Group’s financial statements. The ARMC has private sessions with the External Auditors without the presence of the Management to discuss the audit findings and any other observations they may have during the audit process. An assurance is provided by the External Auditors via their report to the ARMC, confirming their independence through the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

The External Auditors are also invited to the AGM of the Company and are available to answer shareholders’ queries on the conduct of the statutory audit.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

Sound Risk Management Framework

The ARMC assists the Board by providing an objective review of the effectiveness and efficiency of the Group's internal control, risk management and governance framework.

The key features of the Risk Management Framework are set out in the Directors' Statement on Risk Management and Internal Control as presented on pages 43 and 44 of this Annual Report.

Internal Audit Function

The internal audit function is set out in the ARMC Report on page 41 and Directors' Statement on Risk Management and Internal Control on pages 44 to 46 of this Annual Report.

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

Compliance with Applicable Financial Reporting Standards

The Board is committed to present a balanced, accurate and meaningful assessment of the Group's financial position and prospects in the public disclosure of its financial results. These results are presented through the quarterly financial results, audited financial statements and Annual Reports. The Board, assisted by the ARMC, oversees the financial reporting of the Group. The ARMC reviews the Group's annual financial statements and quarterly financial results and appropriateness of the Group's accounting policies and changes to these policies, as and when they come into force, to ensure that the Group's financial reporting complies with all applicable accounting standards and regulatory requirements.

Statement of Directors' Responsibility for Preparation of the Financial Statements

As required by the Companies Act 2016, the Directors have taken care to ensure that the financial statements give a true and fair view of the state of affairs of the Group as at the end of the accounting period and of the Group's statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the period then ended. The Directors ensure that the financial statements are prepared in accordance with the Accounting Standards approved by the Malaysian Accounting Standards Board and comply with the provisions of the Companies Act 2016 and reasonable, prudent judgements and estimates have been made. In the preparation of the financial statements for FY2023, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates on reasonable basis;
- ensured that applicable accounting standards have been adhered to; and
- ensured that the financial statements were prepared as an on-going concern basis.

The Directors ensure that proper accounting records are kept to disclose with reasonable accuracy, at any time, the financial position of the Group. They are generally responsible to take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. The Company is guided by the Corporate Disclosure Guide issued by Bursa Securities and the Board adheres strictly to the disclosure requirements to provide investors and the public with accurate and complete information on a timely basis. The Board ensures that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information.

While the Board endeavours to keep all its shareholders as much informed as possible, the Company always complies with the legal and regulatory framework governing the release of materials and price-sensitive information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Effective Communication and Proactive Engagement

The Company recognises the importance of communication with its shareholders. The President cum CEO, Executive Directors and the Finance Director when necessary would hold discussions with the press, analysts and shareholders. During such discussions, the Group's performance, strategic plans for the future and other major developments are explained.

However, any information that may be regarded as sensitive and material to the Company is only to be released publicly and communicated to all its stakeholders simultaneously, usually through a press release or regulatory filing such as the release of financial results to Bursa Securities on quarterly, annual and ad hoc basis; after review and approval by the Board.

The Company's website at www.alcom.com.my also provides easy access to the investors and general public on up-to-date corporate announcements, quarterly financial results, annual reports and where appropriate, circulars, press releases and other information pertaining to the Company.

Whilst the Company has 2 substantial corporate shareholders, the interests of minority shareholders are fairly represented by its Independent Non-Executive Directors.

Shareholders and other interested parties may communicate or direct its concerns either to the attention of Dato' Seri Subahan Bin Kamal, who is the Chairman of the Board and also the Senior Independent Non-Executive Director, or to the attention of Lam Voon Kean, who is the Chairperson of the ARMC and also an Independent Non-Executive Director.

Shareholders' Participation at General Meeting

The Board regards the AGM and other general meetings as an opportunity to communicate directly with shareholders and stakeholders and encourages attendance and participation in dialogue. The Board reports on the progress and performance of the Group to shareholders at each AGM. At such meetings, shareholders have the opportunity to raise questions to the Directors present at the meeting.

Notice of the AGM and related papers thereto are sent to the shareholders at least 28 days before the AGM to facilitate easy review by the shareholders. In respect of items on Special Business, the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution.

Each shareholder can vote in person or by appointing a proxy to attend and vote on his/her/its behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and motions carried through are properly recorded.

Shareholders shall have the option to submit their hard copy proxy forms to the Administration and Polling Agent, KPMG Management & Risk Consulting Sdn Bhd or their electronic proxy forms via ConveneAGM Meeting Platform pursuant to Clause 76 of the Constitution of the Company for the Sixth AGM to be held on 19 June 2024.

In accordance with Paragraph 8.29A(1) of the MMLR of Bursa Securities, poll voting will be carried out at the said Sixth AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Leverage on Information Technology for Effective Dissemination of Information

The Company is committed in providing accurate and complete information on a timely basis. Such information is disseminated through various disclosures and announcements made to Bursa Securities through the quarterly financial results, audited financial statements and Annual Reports.

This Annual Report, Sustainability Report, Circular to Shareholders, Notice of AGM and other AGM related documents will be made available on the Company's website at www.alcom.com.my or shareholders may request for the printed copy of the same from the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. A notification in respect of the availability of the aforesaid documents will be sent via email to shareholders with email address and via ordinary mail to the other shareholders.

The Company's website at www.alcom.com.my also facilitates effective dissemination of latest and up-to-date information pertaining to the Company to the investors and general public.

COMPLIANCE WITH MCCG

The Board considers that the Company has complied and applied the key principles of the MCCG throughout FY2023 except for the below where the explanations for departure are disclosed in the Corporate Governance Report:

- Practice 5.9 : The Board comprises at least 30% women directors.
- Practice 8.2 : The Board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Board has reviewed and approved this Corporate Governance Overview Statement by way of a resolution of the Board dated 18 April 2024. The Board is satisfied that this Corporate Governance Overview Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG and the MMLR of Bursa Securities throughout FY2023, save for the exceptions as disclosed above. This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report, which is made available online at www.alcom.com.my.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the financial year ended 31 December 2023, the amount of audit and non-audit fees paid/payable by Alcom Group Berhad (“AGB” or “the Company”) and its group of companies (“the Group”) to the External Auditors, KPMG PLT for services rendered to the Company and its subsidiaries were as follows:

Type of fees	Group RM'000	Company RM'000
Audit Fees		
Statutory Audit	327	56
Non-Audit Fees		
Statement on Risk Management and Internal Control	7	7
Tax Compliance Services	57	5
Polling Services	10	10

MATERIAL CONTRACTS

Saved as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests which subsisted at the end of the financial year ended 31 December 2023 or, if not then subsisting, which were entered into since the end of the previous financial year.

Recurrent Related Party Transactions

At the Fifth Annual General Meeting of the Company held on 22 June 2023, the Company had obtained shareholders' mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature (“RRPTs”) which were necessary for the day-to-day operations of the Group and in the ordinary course of business, with related parties.

The aforesaid mandate will lapse at the conclusion of the forthcoming Sixth Annual General Meeting of the Company.

In accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the RRPTs conducted during the financial year ended 31 December 2023 pursuant to the aforesaid shareholders' mandate were as follows:

Provider of products/ services	Recipient of products/ services	Nature of Transaction	Actual value transacted from 22 June 2023 up to 31 December 2023 (RM'000)	Interested Related Party
Aluminium Company of Malaysia Berhad (“ALCOM”)	Can-One Berhad (“Can-One”) and its subsidiaries	Sale of aluminium sheets and aluminium foil products	–	Towerpack Sdn. Bhd. ⁽¹⁾ Yeoh Jin Hoe ⁽²⁾ Marc Francis Yeoh Min Chang ⁽³⁾

Notes:

⁽¹⁾ Towerpack Sdn. Bhd. is a major shareholder of AGB.

⁽²⁾ Yeoh Jin Hoe, the Executive Director of AGB, has an indirect equity interest in 43,636,698 AGB Shares representing 32.48% of the total number of issued AGB Shares held by Towerpack Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 (“Act”). He is also a Director of Can-One and a major shareholder of Can-One, holding 7,505,700 ordinary shares in Can-One (“Can-One Shares”) representing 3.91% of the total number of issued Can-One Shares and has an indirect equity interest over 108,858,800 Can-One Shares representing 56.65% of the total number of issued Can-One Shares held by Eller Axis Sdn. Bhd. by virtue of Section 8(4) of the Act.

⁽³⁾ Marc Francis Yeoh Min Chang (“Marc Yeoh”) is the son of Yeoh Jin Hoe and is his Alternate Director. Marc Yeoh is the Group Managing Director of Can-One.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Alcom Group Berhad (“AGB”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year 2023 (“FY2023”). The ARMC of AGB was established in 2018 and its terms of reference is available on the Company’s website at www.alcom.com.my.

The primary objective of the ARMC is to assist and support the Board of Directors of the Company (“Board”) in fulfilling its fiduciary responsibilities to ensure good corporate governance. The ARMC is responsible for assessing the risk and control environment, overseeing financial reporting and evaluating the management and audit processes as well as supervising the sustainability initiatives within Alcom Group Berhad’s group of companies (“the Group”).

COMPOSITION AND MEETINGS

The ARMC of AGB is wholly made up of Independent Non-Executive Directors. The composition of the ARMC is:

Lam Voon Kean (*Chairperson*)
Datin Shelina Binti Razaly Wahi (*Member*)
Gong Wooi Teik (*Member*)

The profile of the ARMC members can be found on pages 7 and 8 of this Annual Report.

During FY2023, 4 ARMC meetings were held and full attendance of its members was recorded at all the 4 meetings, as follows:

Member	Number of meetings attended in FY2023	Percentage of Attendance
Lam Voon Kean	4 out of 4 meetings	100
Datin Shelina Binti Razaly Wahi	4 out of 4 meetings	100
Gong Wooi Teik	4 out of 4 meetings	100

The Finance Director attended all the above meetings upon invitation by the ARMC. The Group’s External Auditors also attended 2 of the ARMC meetings which were held on 28 February 2023 and 28 November 2023. As in the past years, the ARMC members also had private sessions in the said meetings with the External Auditors without the presence of the members of the Management to discuss audit findings and any other observations that they may have noted during the audit process.

The Company Secretaries who are also the Secretaries to the ARMC attended all the ARMC meetings during FY2023.

SUMMARY OF ACTIVITIES

The ARMC carried out its duties in accordance with its Terms of Reference. The summary of activities carried out in FY2023 were as follows:-

- Overseeing financial reporting and practices;
- Reviewing the quarterly sustainability reports of the Group on the key sustainability themes, strategic plans and proposed sustainability targets;
- Reviewing and approving the Internal Audit and External Audit scope and plans;
- Receiving the quarterly internal audit reports of the Group as well as the quarterly risk management reports prepared by the Internal Auditors and findings by the aforesaid Auditors and Management’s responses thereon;
- Reviewing with the External Auditors, the audit report and their findings arising from the final audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2022 (“FY2022”);
- Reviewing the quarterly announcements on interim financial results and the audited financial statements for FY2022 of the Group and of the Company prior to submission to the Board for consideration and approval;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES (CONTINUED)

- Reviewing the draft Sustainability Report, ARMC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022 and recommending to the Board for approval;
- Reviewing conflict of interest situations and recurrent related parties transactions entered into by the Group and the disclosure of such transactions in the Annual Report and circular to shareholders to ensure compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”);
- Discussing with the Management and the External Auditors on developments in respect of the Malaysian Financial Reporting Standards applicable to the financial statements of the Group and of the Company for FY2023 and their judgment of the items that may affect the financial statements;
- Providing oversight, direction and counsel to the Group’s risk management and control process;
- Evaluating the management and audit processes within the Group;
- Evaluating the performance of the internal audit function for FY2022;
- Evaluating the performance of the External Auditors and making recommendation to the Board for their re-appointment for the financial year ending 31 December 2023; and
- Reviewed and recommended the proposed Related Party Transactions Policy and Conflict of Interest Policy for the Board’s approval.

INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to a competent third party service provider, Finfield Corporate Services Sdn. Bhd., an independent consulting firm which performs the internal audit function for the Group.

Internal audit performs the role of promoting an efficient and effective control environment through independent and objective internal control reviews, education and business process consultation. The areas to be covered by the audit are selected on a rotational basis, with core risk areas being subject to more regular audit than those outside the defined core risk areas. A risk-based approach is adopted in the planning and conduct of audits which is consistent with the Group’s established risk-based framework in identifying, designing, implementing and monitoring of risks process and control systems.

The ARMC reviews the scope of the internal audit and approves the audit plan before the actual audit takes place. The findings of the internal audit work done are reported directly to the ARMC. The scope of the Internal Auditors covers the audits of all units and operations of the Group including the various computer application systems of the Group. Besides the scheduled audits, the Internal Auditors also conduct ad hoc fact based investigation audit, as and when a need arises. The final reports from the Internal Auditors were directly forwarded to the ARMC. Key observations and opportunities for improvements identified were also presented to the ARMC for the Management to revert with responses to mitigate gaps, if any are identified. A summary of the main activities of the internal audit function during FY2023 is presented in the Directors’ Statement on Risk Management and Internal Control. The Group incurred a total fee of RM48,000 for the internal audit services rendered by the third party service provider during FY2023.

This Report is made in accordance with a resolution of the Board dated 18 April 2024.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Alcom Group Berhad ("AGB" or "the Company") recognises the importance of a sound system of risk management and internal controls in AGB group of companies ("the Group") to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

This Statement stipulates the nature and key elements of the system of risk management and internal controls that the Group had in place for the financial year ended 31 December 2023 ("FY2023") and is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). It is guided by the principles and best practices relating to internal controls as stipulated in the Malaysian Code on Corporate Governance 2021.

The Board of Directors of AGB ("Board") is pleased to provide the following Statement that has been prepared accordingly.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board is responsible and accountable for the Group's system of risk management and internal controls and ensures the reliability and integrity of the financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with all laws and regulations.

The Board has established an appropriate control environment and risk management framework for reviewing the adequacy and integrity of the system to continuously sustain and promote an effective governance structure within the Group.

The risk management and system of internal controls, no matter how well conceived and operated, can only manage rather than eliminate the risk of business failures. The system in place can provide only reasonable and not absolute assurance against material misstatements or loss.

Audit and Risk Management Committee

Board Committees such as the Audit and Risk Management Committee ("ARMC"), Nomination Committee and Remuneration Committee are established by the Board and they are governed by clearly defined terms of reference and authority for areas within their scope.

The ARMC which comprises entirely Independent Non-Executive Directors, assists the Board in:

- discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and each of its subsidiaries;
- establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors;
- evaluating the quality of the audits performed by the Internal Auditors and External Auditors;
- providing assurance that the financial information presented by the Management is relevant, balanced, reliable and timely;
- overseeing compliance with laws and regulations and observance of a proper code of conduct;
- determining the quality, adequacy and effectiveness of the Group's control environment;
- identifying, evaluating, monitoring and managing the Group's risk management strategy, processes and principal risks to ensure that the Group establishes and maintains a sound system of risk management and internal controls to safeguard shareholders' investment and the Group's assets; and
- oversight responsibilities in relation to the Group's sustainability policies and practices.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK

The Group has in place an ongoing risk management process of identifying, analysing, evaluating, monitoring and managing the principal risks that the Group faces as it seeks to meet its business objectives. This process is embedded into the Group's management systems, culture, people, strategy, policies, structures, processes and procedures. This risk management coverage includes the compliance with guidelines on adequate procedures pursuant to Section 17A under the Malaysian Anti-Corruption Commission Act ("MACCA") 2009.

Manufacturing Segment

In FY2023, all Unit/Section Leads, Managers and Departmental Heads reviewed and provided signed certifications of assurance on a quarterly basis that weaknesses in controls and risks identified during the review were adequately addressed.

All non-shop floor staff were involved in providing similar signed certifications of assurance. These written assurances were provided after they conducted reviews within their own areas of accountability.

In addition, the President cum Chief Executive Officer would review on a quarterly basis, the risks specific to each functional area together with the respective departmental heads to mitigate and manage both internal and external risks and uncertainties that may affect the manufacturing segment. The risk profile is established during these sessions facilitated by the Risk Management Working Group. Risks identified are assessed, categorised and rated based on the criteria set out to determine the appropriate risk response actions. The business risk is managed in a rapidly changing business environment with the following objectives:

- ensuring the continuity of supply of products to customers without disruption;
- safeguarding the assets and reputation;
- preserving the safety and health of the employees;
- protecting the interest of all stakeholders;
- ensuring compliance with internal policies and procedures as well as all applicable laws and regulations; and
- promoting an effective risk awareness culture.

For all operating and capital expenditures approved in the annual budget, spending is authorised based on predetermined levels set within the delegation of authority matrix. All requisitions and contracts are subject to prior reviews and approvals before execution.

Property Development Segment

Senior Management of this segment is responsible to identify and manage business risks faced in order to ensure business operations are under control and targets achieved. Accordingly, the Risk Management Working Group has performed quarterly reviews to identify, assess and manage the risks faced by this segment with planned actions. This Risk Management Working Group also raises issues of concern and provides feedback for Management's action on a timely manner.

Senior Management has identified the principal risks and mitigation measures as follows:

- **Project Cost Monitoring**

The potential risk of project cost overrun is mitigated by closely monitoring the project's progress and budgetary control by the Project Team and the Consulting Quantity Surveyor. Any site changes triggering additional work must be authorised in advance by the Project Team; the relevant Project Consultant adheres to a formalised process to seek this authorisation prior to any instruction to the contractor. An anticipated construction cost relative to the total contract awarded has been presented in the quarterly project financial report submitted by the Consulting Quantity Surveyor.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK (CONTINUED)

Property Development Segment (continued)

- **Marketing and Sales Monitoring**

Sales is a whole-company effort, aligning marketing and sales is key to increasing the sales speed. When marketing introduces leads coming through the sales funnel, it can help the sales team prioritise its follow-up interactions with potential customers. Marketing collateral is reviewed periodically to ensure consistency while sales representatives are more focused on identifying high-value leads. To reduce sales risk, strategic plans and sales strategies are reviewed consistently to ensure we are moving in the right direction and still on target, new order units against target are closely monitored. Other key performance indicators such as sales appointments and booking cancellations have also been well managed. In addition, the marketing team has developed innovative promotional packages to market EMHub products.

Construction Segment

Senior Management of this segment is responsible for implementing and maintaining sound systems of internal control and risk management in order to ensure business objectives are achieved. In FY2023, all Departmental Heads and staff have conducted reviews on a quarterly basis within their own areas of accountability and provided signed certifications of assurance that weaknesses in controls and risks identified, if any, during the review were adequately addressed. In addition, the Risk Management Working Group has performed quarterly reviews to identify, assess and manage the risks specific to each functional area within this segment with planned actions to mitigate and manage such risks. This Risk Management Working Group also raises issues of concern and provides feedback for Management's action on a timely manner.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent and competent third party service provider as part of its efforts to provide an adequate and effective system of internal control. The internal audit function is executed as per the annual audit plan approved by the ARMC.

The internal audit adopts a risk-based approach in developing its audit plan and addresses core auditable areas of the Group based on their risk profile.

Internal audit provides the Board, through the ARMC, with an independent opinion on the processes, risk exposures and system of internal controls of the Group. The internal audit function has a clear line of reporting to the ARMC and its performance is reviewed annually. Therefore, the internal audit function is independent of the operational and management activities it audits. The Internal Auditors review the existing system of internal controls and provide the ARMC with much of the assurance it requires regarding the adequacy and the effectiveness of the risk management process in place to identify, manage and control the proper conduct of business within the Group. The Internal Auditors also provide useful advice on control assurance activities and opportunities for improvement to the existing system of internal controls in place and propose corrective actions to eliminate shortcomings or deficiencies.

The ARMC reviews and approves the scope of the internal audit. The results of the audit findings and recommendations for improvements are reported to the ARMC as well as to the Board on a timely basis. The respective Senior Management is responsible to ensure that recommended corrective actions are implemented within a reasonable time frame. Follow-up audits are conducted to ensure the shortcomings or deficiencies have been addressed accordingly.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT (CONTINUED)

During the financial year under review, the Internal Auditors performed reviews on the following selected areas of the manufacturing, property development and construction segments to assess the adequacy and effectiveness of the system of internal controls and to ensure compliance with their policies and procedures:

Manufacturing business

- Compliance with focus on:
 - Risk management
 - Recurrent related party transactions

Property development business

- Property development function with focus on:
 - Project sales and marketing
 - Development expenditure

Construction business

- Construction function with focus on:
 - Project sales and marketing
 - Accounts receivable and credit control
 - Construction expenditure

Based on the internal audit reviews carried out above, none of the matters highlighted for improvement that were noted by the Internal Auditors had resulted in any material loss, contingency or uncertainty that would require disclosure in this Annual Report. The Board continually takes measures to strengthen the control environment.

The Internal Auditors tabled the Internal Audit Plan for the manufacturing, property development and construction segments for Financial Year 2024 in the November 2023 ARMC meeting. This plan was reviewed and approved by the ARMC.

KEY ELEMENTS OF THE INTERNAL CONTROL ENVIRONMENT

The current system of internal controls and risk management of the Group includes the following key elements:

- various Board Committees are chaired by the Independent Non-Executive Directors to oversee, monitor and review the Group's and Management's performances;
- an organisational structure with clearly defined roles and responsibilities with a hierarchical structure of reporting lines and accountability;
- setting annual plans that are in line with the Group's strategic direction;
- weekly and monthly meetings consisting of departmental meetings, various cross functional meetings and head of departments' meetings for review and resolution of issues as well as to measure and monitor performance achievements;
- annual performance appraisals which are linked to the annual agreed performance targets with both quantitative and qualitative criteria to raise individual performance;
- structured training program for employees to maintain high standards on safety, code of conduct and to upgrade the competency levels of their respective professions;
- terms of reference and delegation of responsibilities to committees of the Board and business operating units, including proper authorisation for all aspects and levels of the business within the Group;
- quarterly board meetings to set the Group's goals and objectives, review business operations, to approve significant transactions as well as to approve releases of quarterly and annual financial results;
- documentation and update of risk management and internal controls' policies and procedures as set out in the standard operating policies and procedural manuals. These manuals include credit, quality, safety, health and environment;
- internal quarterly certification for the manufacturing segment by various employees and representation letters by the Management to the Board on assurances of risk management, internal controls and compliance; and

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF THE INTERNAL CONTROL ENVIRONMENT (CONTINUED)

The current system of internal controls and risk management of the Group includes the following key elements: (continued)

- a whistle-blowing procedure is in place that forms part of the Group's Code of Conduct. This provides an avenue for employees/public to report/complain of any wrongdoing by any employee of the Group, or any breach or suspected breach of any laws or standards in a safe and confidential manner.

These serve to reaffirm that the risk management and control framework is embedded into the culture, processes and structures of the Group.

CONTROL ASSURANCE OVER FINANCIAL REPORTING

The Management continues its practice of making quarterly representations as well as certifications to the Board. These representations serve as a commitment of management's assurance on risk management and that the systems of internal controls are in place to ensure financial reporting accuracy.

During FY2023, the Board has received these assurances from the President cum Chief Executive Officer and Finance Director that the Group's risk management and systems of internal controls are operating adequately in all material aspects based on the framework adopted by the Group.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for FY2023, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

The Board's ongoing focus on effective risk oversight has been critical to setting the tone and culture towards effective risk management and internal controls in the Group. The Board is of the view that the system of internal controls and risk management are in place for the current financial year under review, and up to the approval of this Statement, is sufficient to safeguard the Group's assets, as well as the shareholders' investments, stakeholders' interests and the Group's assets.

This Statement is made in accordance with a resolution of the Board dated 18 April 2024.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements of Alcom Group Berhad (“the Company”) and its group of companies (“the Group”), the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that the financial statements present a true and fair view of the state of affairs of the Group and of the Company for the financial year ended 31 December 2023 and of the results of the business and cash flows of the Group and of the Company for the financial year ended 31 December 2023.

In preparing the financial statements for the financial year ended 31 December 2023, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with the applicable accounting standards and made judgements and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept which enable the financial statements to be prepared with reasonable accuracy.

This statement is made in accordance with a resolution of the Board dated 18 April 2024.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of its subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	16,749	5,381
Non-controlling interests	(448)	–
	<hr/> 16,301	<hr/> 5,381

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company in respect of the financial year ended 31 December 2022 as reported in the Directors' Report of that year, is a first and final ordinary dividend of 2.5 sen per share amounting to RM3,358,271 declared on 28 February 2023 and paid on 26 July 2023.

The Directors recommended a first and final ordinary dividend of 4 sen per share amounting to RM5,373,234 in respect of the financial year under review on 27 February 2024. The aforesaid dividend is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

The Directors do not recommend any other dividend for the financial year under review.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Dato' Seri Subahan Bin Kamal
 Datin Shelina Binti Razaly Wahi
 Yeoh Jin Hoe
 Gong Wooi Teik
 Heon Chee Shyong
 Lam Voon Kean
 Marc Francis Yeoh Min Chang (Alternate Director to Yeoh Jin Hoe)
 Wong Choon Shein
 Goh Teck Hong

DIRECTORS OF SUBSIDIARIES

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

	Aluminium Company of Malaysia Berhad	Alcom Nikkei Specialty Coatings Sdn. Bhd.	Alcom Dach&Wand Sdn. Bhd.	AGB Land Sdn. Bhd.	EM Hub Sdn. Bhd.	AGB Builders Sdn. Bhd.	AG Avenue Sdn. Bhd.
Heon Chee Shyong	✓	✓	✓				
Yeoh Jin Hoe	✓			✓	✓	✓	✓
Dato' Eng Kim Liong				✓	✓		
Ang Loo Leong				✓	✓	✓	✓
Marc Francis Yeoh Min Chang	✓(*)	✓					
Keith Christopher Yeoh Min Kit	✓	✓	✓	✓	✓	✓	
Shaun Patrick Yeoh Min Jin		✓	✓			✓(*)	✓
James Lim Cheong Sing			✓				
Yee Po Wai			✓				

(*) Alternate Director to Yeoh Jin Hoe

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Deemed interests in the Company:				
Yeoh Jin Hoe	43,636,698	-	-	43,636,698

By virtue of his interests in the shares of the Company, Yeoh Jin Hoe is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	466	–
Salaries, bonuses and other remunerations	609	6,385
Estimated monetary value of benefits-in-kind	–	29
	1,075	6,414

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

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

The Directors and officers of the Group and of the Company are covered by Directors and Officers Liability Insurance ("D&O Insurance") for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of D&O Insurance effected for the Directors and Officers of the Group was RM6,000,000. The insurance premium for the D&O Insurance paid by the Group during the financial year amounted to RM15,900. There was no indemnity given to or insurance effected for the auditors of the Company.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT

In April 2023, the Group via its wholly-owned subsidiary, AG Avenue Sdn. Bhd. entered into a conditional sales and purchase agreement with a third party for the acquisition of 2 parcels of leasehold vacant commercial land located in Bukit Raja, Klang, Selangor for a total cash consideration of RM56,000,000. As of 31 December 2023, the completion of the acquisition is subject to the fulfilment of the conditions precedent of the said agreement.



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITORS

The auditors, KPMG PLT have indicated their willingness to accept re-appointment.

The auditors' remunerations of the Group and the Company during the year are RM327,000 and RM56,000 respectively.

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

Yeoh Jin Hoe
Director

Heon Chee Shyong
Director

Klang, Selangor

Date: 18 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	91,504	52,860	-	-
Right-of-use assets	4	14,240	15,292	-	-
Intangible assets	5	2,775	2,429	-	-
Investments in subsidiaries	6	-	-	103,167	102,917
Deferred tax assets	7	3,493	1,693	-	-
Total non-current assets		112,012	72,274	103,167	102,917
Inventories	8	129,464	197,329	-	-
Contract assets	9	1,838	7,972	-	-
Contract costs	10	-	9,856	-	-
Trade receivables	11	46,121	66,266	-	-
Other receivables and prepayments	12	18,171	16,768	6,743	6,717
Current tax assets		7,729	2,374	-	-
Cash and cash equivalents	13	154,711	127,790	3,297	2,004
Total current assets		358,034	428,355	10,040	8,721
Total assets		470,046	500,629	113,207	111,638
Equity					
Share capital	14	104,778	104,778	104,778	104,778
Retained earnings		138,492	125,290	7,824	5,801
Equity attributable to owners of the Company		243,270	230,068	112,602	110,579
Non-controlling interests		(188)	260	-	-
Total equity		243,082	230,328	112,602	110,579
Liabilities					
Loans and borrowings	15	31,692	38,785	-	-
Provision for gratuity scheme	16	3,184	3,321	-	-
Lease liabilities		1,001	1,596	-	-
Deferred tax liabilities	7	992	868	-	-
Total non-current liabilities		36,869	44,570	-	-
Loans and borrowings	15	137,293	114,694	-	-
Lease liabilities		1,120	1,397	-	-
Provision for gratuity scheme	16	681	662	-	-
Trade payables	17	26,608	45,638	-	-
Other payables and accruals	18	21,363	31,199	600	774
Contract liabilities	9	2,826	26,811	-	-
Amount due to a subsidiary	19	-	-	-	281
Derivative financial instruments	20	101	23	-	-
Current tax liabilities		103	5,307	5	4
Total current liabilities		190,095	225,731	605	1,059
Total liabilities		226,964	270,301	605	1,059
Total equity and liabilities		470,046	500,629	113,207	111,638

The notes on pages 60 to 101 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	21	660,004	976,014	6,743	6,717
Other operating income	22	4,122	2,392	41	13
Changes in inventories of raw materials, work-in-progress and finished goods		(22,661)	(18,767)	-	-
Raw materials and consumables used		(397,162)	(508,236)	-	-
Property development and construction costs		(82,848)	(223,586)	-	-
Staff costs	23	(47,501)	(45,909)	(555)	(892)
Utilities and fuel		(37,529)	(28,266)	-	-
Depreciation of:					
- property, plant and equipment	3	(9,027)	(8,767)	-	-
- right-of-use assets	4	(1,750)	(1,696)	-	-
Amortisation of intangible assets	5	(162)	(217)	-	-
Upkeep, repairs and maintenance of assets		(13,203)	(10,937)	-	-
Allowance for inventory write-down	25	(1,334)	(1,422)	-	-
Environmental costs		(637)	(685)	-	-
Interest expenses	24	(8,698)	(9,921)	-	-
Net loss on impairment of financial instruments	25	(150)	(77)	-	-
Other operating expenses		(18,251)	(16,391)	(839)	(580)
Profit before tax	25	23,213	103,529	5,390	5,258
Tax expense	26	(6,912)	(25,907)	(9)	(5)
Profit for the year		16,301	77,622	5,381	5,253
Other comprehensive expense, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss on gratuity scheme	16	(249)	-	-	-
Taxation relating to the actuarial loss on gratuity scheme	7	60	-	-	-
Other comprehensive expense for the year, net of tax		(189)	-	-	-
Total comprehensive income for the year		16,112	77,622	5,381	5,253

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit attributable to:				
Owners of the Company	16,749	77,509	5,381	5,253
Non-controlling interests	(448)	113	-	-
Profit for the year	16,301	77,622	5,381	5,253
Total comprehensive income attributable to:				
Owners of the Company	16,560	77,509	5,381	5,253
Non-controlling interests	(448)	113	-	-
Total comprehensive income for the year	16,112	77,622	5,381	5,253
Basic earnings per ordinary share (sen)	27	12.47	57.70	

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Note	Group				
	Attributable to owners of the Company			Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2022	104,778	51,136	155,914	–	155,914
Profit for the year	–	77,509	77,509	113	77,622
Total comprehensive income for the financial year	–	77,509	77,509	113	77,622
Dividends to owners of the Company	–	(3,358)	(3,358)	–	(3,358)
Partial disposal of interest in a subsidiary	–	3	3	147	150
Total transactions with owners of the Group	–	(3,355)	(3,355)	147	(3,208)
At 31 December 2022/ 1 January 2023	104,778	125,290	230,068	260	230,328
Actuarial loss on gratuity scheme, net of tax	–	(189)	(189)	–	(189)
Total other comprehensive expense for the year, net of tax	–	(189)	(189)	–	(189)
Profit for the year	–	16,749	16,749	(448)	16,301
Total comprehensive income for the financial year	–	16,560	16,560	(448)	16,112
Dividends to owners of the Company	–	(3,358)	(3,358)	–	(3,358)
Total transactions with owners of the Group	–	(3,358)	(3,358)	–	(3,358)
At 31 December 2023	104,778	138,492	243,270	(188)	243,082

Note 14

Note	Company		
	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022	104,778	3,906	108,684
Profit for the year	–	5,253	5,253
Total comprehensive income for the year	–	5,253	5,253
Dividends to owners of the Company	–	(3,358)	(3,358)
Total transactions with owners of the Company	–	(3,358)	(3,358)
At 31 December 2022/1 January 2023	104,778	5,801	110,579
Profit for the year	–	5,381	5,381
Total comprehensive income for the year	–	5,381	5,381
Dividends to owners of the Company	–	(3,358)	(3,358)
Total transactions with owners of the Company	–	(3,358)	(3,358)
At 31 December 2023	104,778	7,824	112,602

Note 14

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
Profit before tax:	23,213	103,529	5,390	5,258
<i>Adjustments for:</i>				
Allowance for inventory write-down	8	1,334	1,422	-
Amortisation of intangible assets	5	171	220	-
Depreciation of:				
- property, plant and equipment	3	9,087	8,825	-
- right-of-use assets	4	1,750	1,696	-
Dividend income	21	-	-	(6,743)
Gain on disposal of property, plant and equipment	22	(216)	(274)	-
Interest expenses	24	8,698	9,921	-
Interest income	22	(1,834)	(621)	(41)
Net fair value loss on forward foreign exchange contracts	25	78	535	-
Property, plant and equipment written off		26	-	-
Provision for gratuity scheme	16	309	354	-
Net impairment loss on financial assets	25	150	77	-
Unrealised foreign exchange (gain)/loss	25	(1,039)	475	-
Operating profit/(loss) before changes in working capital				
	41,727	126,159	(1,394)	(1,472)
Changes in working capital:				
Inventories	66,531	102,032	-	-
Receivables	20,722	(10,125)	-	-
Payables	(33,090)	(15,123)	(174)	462
Contract assets	6,134	(4,739)	-	-
Contract costs	9,856	7,655	-	-
Contract liabilities	(23,985)	(8,442)	-	-
Subsidiary	-	-	(281)	27
Cash generated from/ (used in) operations				
	87,895	197,417	(1,849)	(983)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities (continued)					
Gratuity paid	16	(676)	(1,141)	-	-
Interest paid		(114)	(146)	-	-
Tax paid		(19,087)	(22,645)	(8)	(1)
Net cash from/(used in) operating activities		68,018	173,485	(1,857)	(984)
Cash flows from investing activities					
Purchase of:					
- property, plant and equipment	3	(47,195)	(8,887)	-	-
- intangible assets	5	(517)	(91)	-	-
Proceeds from disposal of property, plant and equipment		222	351	-	-
Proceeds from partial disposal of interest in a subsidiary		-	150	-	-
Change in pledged deposits		1,148	-	-	-
Dividends received		-	-	6,717	6,179
Interest received		1,834	621	41	13
Investment in a subsidiary		-	-	(250)	-
Net cash (used in)/ from investing activities		(44,508)	(7,856)	6,508	6,192
Cash flows from financing activities					
Dividends paid	28	(3,358)	(3,358)	(3,358)	(3,358)
Net drawdown/(repayment) of loans and borrowings		15,506	(87,948)	-	-
Payment of lease liabilities		(1,570)	(1,466)	-	-
Interest paid		(9,152)	(9,775)	-	-
Net cash from/(used in) financing activities		1,426	(102,547)	(3,358)	(3,358)
Net increase in cash and cash equivalents		24,936	63,082	1,293	1,850
Effect of exchange rate fluctuations on cash held		(976)	26	-	-
Cash and cash equivalents at beginning of the financial year		126,642	63,534	2,004	154
Cash and cash equivalents at end of the financial year		150,602	126,642	3,297	2,004

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to statements of cash flows

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks		2,294	1,466	-	-
Liquid investments		82,291	-	-	-
Bank balances		70,126	126,324	3,297	2,004
		154,711	127,790	3,297	2,004
Less: Pledged deposits	13	-	(1,148)	-	-
Cash and cash equivalents held on behalf of the owners of EmHub	13.3	(4,109)	-	-	-
		150,602	126,642	3,297	2,004

(ii) Cash outflows for leases as a lessee

	Note	Group	
		2023 RM'000	2022 RM'000
Included in net cash from operating activities:			
Interest paid in relation to lease liabilities	24	114	146
Included in net cash from financing activities:			
Payment of lease liabilities		1,570	1,466
Total cash outflows for leases		1,684	1,612

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Group						
	At 1.1.2022 RM'000	Addition of new leases RM'000	Net changes from financing cash flows RM'000	At 31.12.2022/ 1.1.2023 RM'000	Additions of new leases RM'000	Net changes from financing cash flows RM'000	At 31.12.2023 RM'000
Term loans	80,523	-	(35,010)	45,513	-	(7,001)	38,512
Hire purchase liabilities	674	-	(213)	461	-	(188)	273
Revolving credits	55,000	-	30,000	85,000	-	(12,000)	73,000
Trade finances	42,962	-	(20,662)	22,300	-	34,900	57,200
Bridging loans	35,263	-	(35,263)	-	-	-	-
Bankers' acceptance	-	-	200	200	-	(200)	-
Corporate credit card facility from a financial institution	5	-	-	5	-	(5)	-
Lease liabilities	3,719	740	(1,466)	2,993	698	(1,570)	2,121
Total liabilities from financing activities	218,146	740	(62,414)	156,472	698	13,936	171,106

The notes on pages 60 to 101 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Alcom Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business/Registered office

No. 3, Persiaran Waja
Bukit Raja Industrial Estate
41050 Klang
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 31 December 2023 do not include other entities.

The Company is principally engaged in investment holding activities whilst the principal activities of its subsidiaries are as stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 18 April 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments where applicable to the Group and to the Company.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Liquid investments	Fair value
Derivative financial instruments	Fair value
Provision for gratuity scheme	Fair value of plan assets less the present value of the defined benefit obligation

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- i) Note 4 – Extension options and incremental borrowing rate in relation to leases
- ii) Note 5 – Intangible assets
- iii) Note 8 – Inventories written down to net realisable value
- iv) Note 8 and Note 21 – Estimation of revenue and budgeted costs for property development and construction projects

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

Material accounting policy information

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s and the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	Group						Total RM'000
	Buildings RM'000	Plant and machineries RM'000	Equipment and vehicles RM'000	Renovation RM'000	Signboard RM'000	Projects-in -progress RM'000	
Cost							
At 1 January 2022	42,628	294,417	12,270	2,246	-	1,270	352,831
Additions	-	5,361	1,974	-	-	1,552	8,887
Disposals	-	(3,184)	(961)	-	-	-	(4,145)
Reclassifications	-	790	6	-	-	(796)	-
At 31 December 2022/ 1 January 2023	42,628	297,384	13,289	2,246	-	2,026	357,573
Additions	5,198	818	638	-	37	41,072	47,763
Disposals	-	(59)	(2,302)	(10)	-	-	(2,371)
Write off	-	(381)	(10)	-	-	-	(391)
Reclassifications	75	3,904	417	-	-	(4,396)	-
At 31 December 2023	47,901	301,666	12,032	2,236	37	38,702	402,574
Depreciation and impairment loss							
At 1 January 2022	27,634	258,989	11,138	1,384	-	-	299,145
Accumulated depreciation	-	811	-	-	-	-	811
Accumulated impairment loss	-	-	-	-	-	-	-
At 31 December 2022/ 1 January 2023	27,634	259,800	11,138	1,384	-	-	299,956
Depreciation for the year	1,165	6,655	555	450	-	-	8,825
Disposals	-	(3,128)	(940)	-	-	-	(4,068)
At 31 December 2022/ 1 January 2023	28,799	262,516	10,753	1,834	-	-	303,902
Accumulated depreciation	-	811	-	-	-	-	811
Accumulated impairment loss	-	-	-	-	-	-	-
At 31 December 2023	28,799	263,327	10,753	1,834	-	-	304,713
Depreciation for the year	1,189	6,661	824	412	1	-	9,087
Disposals	-	(59)	(2,296)	(10)	-	-	(2,365)
Write off	-	(356)	(9)	-	-	-	(365)
At 31 December 2023	29,988	268,762	9,272	2,236	1	-	310,259
Accumulated depreciation	-	811	-	-	-	-	811
Accumulated impairment loss	-	-	-	-	-	-	-
	29,988	269,573	9,272	2,236	1	-	311,070
Carrying amounts							
At 1 January 2022	14,994	34,617	1,132	862	-	1,270	52,875
At 31 December 2022/ 1 January 2023	13,829	34,057	2,536	412	-	2,026	52,860
At 31 December 2023	17,913	32,093	2,760	-	36	38,702	91,504

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 As at 31 December 2023, the net carrying amount of plant and machinery and equipment and vehicles under hire purchase arrangements is RM273,000 (2022: RM492,000).

3.2 During the financial year, depreciation amounting to RM60,000 (2022: RM58,000) is recognised in property development and construction costs.

3.3 The projects-in-progress include interest expense capitalised of RM568,000 (2022: RM Nil). The interest expense is capitalised at a rate ranging from 3.82% - 5.39% per annum.

3.4 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction (project-in-progress) are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings 33 years
- Plant and machineries 5 - 25 years
- Equipment and vehicles 3 - 10 years
- Renovation 5 years
- Signboard 5 years

4. RIGHT-OF-USE ASSETS

	Group				
	Leasehold land RM'000	Buildings RM'000	Equipment RM'000	Vehicles RM'000	Total RM'000
At 1 January 2022	12,590	1,209	490	1,959	16,248
Additions	–	348	384	8	740
Depreciation for the year	(190)	(674)	(268)	(564)	(1,696)
At 31 December 2022/ 1 January 2023	12,400	883	606	1,403	15,292
Additions	–	263	435	–	698
Depreciation for the year	(190)	(688)	(321)	(551)	(1,750)
At 31 December 2023	12,210	458	720	852	14,240

NOTES TO THE FINANCIAL STATEMENTS

4. RIGHT-OF-USE ASSETS (CONTINUED)

The Group has a 99 year leasehold land, which is amortised over its lease term. The leasehold land is pledged for bank facilities granted to the Group (see Note 15.1).

The Group leases a number of buildings, equipment and vehicles. The lease terms range from one year to five years. Lease payments remain constant throughout the lease terms.

4.1 Extension options

Some leases contain extension options exercisable by the Group up to two years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of the leases are currently included in the lease terms as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2023 and 31 December 2022, there are no potential future lease payments not included in lease liabilities.

4.2 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|-------------|-------------|
| • Buildings | 1 - 3 years |
| • Equipment | 3 - 5 years |
| • Vehicles | 3 - 5 years |

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS

	Group				
	Goodwill RM'000	Construction contracts RM'000	Computer software RM'000	Projects-in -progress RM'000	Total RM'000
Cost					
At 1 January 2022	2,293	713	2,567	130	5,703
Additions	–	–	91	–	91
Reclassifications	–	–	130	(130)	–
At 31 December 2022/ 1 January 2023	2,293	713	2,788	–	5,794
Additions	–	–	43	474	517
Reclassifications	–	–	474	(474)	–
At 31 December 2023	2,293	713	3,305	–	6,311
Amortisation					
At 1 January 2022	–	713	2,432	–	3,145
Amortisation for the year	–	–	220	–	220
At 31 December 2022/ 1 January 2023	–	713	2,652	–	3,365
Amortisation for the year	–	–	171	–	171
At 31 December 2023	–	713	2,823	–	3,536
Carrying amounts					
At 1 January 2022	2,293	–	135	130	2,558
At 31 December 2022/ 1 January 2023	2,293	–	136	–	2,429
At 31 December 2023	2,293	–	482	–	2,775

5.1 During the financial year, RM9,000 (2022: RM3,000) of amortisation is recognised in property development and construction costs.

5.2 Goodwill arose from the acquisition of Alcom Dach&Wand Sdn. Bhd. (“ADW”). The recoverable amount of cash-generating unit (“CGU”) allocated to ADW was based on its value in use which was estimated based on the present value of the future cash flows, determined based on the discounted future cash flows to be generated from the CGU. The recoverable amount of the CGU was estimated to be higher than the carrying amount, hence no impairment was required.

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS (CONTINUED)

5.3 Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and 5-year forecasts;
- Revenue was projected for 2024 based on awarded contracts and contracts which are highly probable to be awarded with an anticipated increase of 15% per annum thereafter till 2028 based on past experience;
- Profit margin was projected at 20% for each financial year from 2024 to 2028 based on past experience; and
- Pre-tax discount rate applied by the Group is 10% (2022: 10%) when determining the recoverable amount of the CGU. The discount rate was estimated based on an industry weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of the CGU's anticipated growth and are based on both external sources and internal sources (historical data).

The above estimates are not particularly sensitive.

5.4 Material accounting policy information

(a) Recognition and measurement

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- Construction contracts 2 years
- Computer software 3 - 5 years

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Cost of investments	103,167	102,917

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Aluminium Company of Malaysia Berhad <i>and its subsidiaries</i>	Malaysia	Manufacturing and trading of aluminium sheet and foil products	100	100
Alcom Nikkei Specialty Coatings Sdn. Bhd.	Malaysia	Manufacturing and trading of precoated aluminium finstocks for use in air conditioners	100	100
Alcom Dach&Wand Sdn. Bhd.	Malaysia	Supply and installation of roof and cladding systems, and steel structure construction	80	80
AGB Land Sdn. Bhd. <i>and its subsidiaries</i>	Malaysia	Investment holding	100	100
EM Hub Sdn. Bhd.	Malaysia	Property development activities	100	100
AG Avenue Sdn. Bhd.	Malaysia	Dormant	100	100
AGB Builders Sdn. Bhd.	Malaysia	Building and construction business	100	100

6.1 Additional investment in a subsidiary

In March 2023, the Company subscribed for an additional 249,999 new ordinary shares in AGB Land Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM249,999.

6.2 Incorporation of a subsidiary

In December 2022, the Group via its wholly-owned subsidiary, AGB Land Sdn. Bhd. incorporated a wholly-owned subsidiary, AG Avenue Sdn. Bhd., with an issued and paid-up capital of RM1.

6.3 Non-controlling interests in a subsidiary

Summarised financial information of the non-controlling interests is not presented as the non-controlling interests are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.4 Partial disposal of interest in a subsidiary

In July 2022, the Group via its wholly-owned subsidiary, Aluminium Company of Malaysia Berhad disposed of 20% equity interest comprising 150,000 ordinary shares in Alcom Dach&Wand Sdn. Bhd. (“ADW”) to James Lim Cheong Sing and Yee Po Wai, whom are Directors of ADW, for a total cash consideration of RM150,000. This transaction resulted in a decrease in the Group’s ownership in ADW from 100% to 80%.

The Group recognised an increase in non-controlling interests of RM147,000 and an increase in retained earnings of RM3,000.

6.5 Material accounting policy information

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses.

7. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	Group					
	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	–	–	(7,628)	(8,435)	(7,628)	(8,435)
Right-of-use assets	–	–	(1,526)	(1,911)	(1,526)	(1,911)
Provisions	4,492	4,617	–	–	4,492	4,617
Lease liabilities	1,568	2,054	–	–	1,568	2,054
Tax losses carry-forwards	3,079	1,676	–	–	3,079	1,676
Capital allowances carry-forwards	1,791	1,243	–	–	1,791	1,243
Other items	786	1,587	(61)	(6)	725	1,581
Tax assets/(liabilities)	11,716	11,177	(9,215)	(10,352)	2,501	825
Set off of tax	(8,223)	(9,484)	8,223	9,484	–	–
Net tax assets/(liabilities)	3,493	1,693	(992)	(868)	2,501	825

Pursuant to the latest tax legislation, the period to carry forward the tax losses carry- forwards has been extended to ten years of assessment effective from the year of assessment 2019.

NOTES TO THE FINANCIAL STATEMENTS

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Recognised deferred tax assets/(liabilities) (continued)

The expiry date of unutilised tax losses is as follows:

	2023 RM'000	Expiry date
YA 2022	1,676	YA 2030
YA 2023	1,403	YA 2033
	3,079	

Capital allowances carry-forwards and other temporary differences do not expire under the current tax legislation.

Movements of deferred tax assets comprise deferred tax income amounting to RM1,616,000 (2022: deferred tax expense amounting to RM1,458,000) and RM60,000 (2022: RM Nil) recognised in other comprehensive expense.

8. INVENTORIES

	Note	Group	
		2023 RM'000	2022 RM'000
Trading and manufacturing inventories	8.1	118,960	141,550
Properties under development	8.2	–	55,779
Completed properties	8.2	10,504	–
		129,464	197,329

8.1 Trading and manufacturing inventories

	Group	
	2023 RM'000	2022 RM'000
Metal inventories		
Raw materials	30,737	47,163
Work-in-progress	38,820	44,495
Finished goods	36,779	37,095
	106,336	128,753
Non-metal inventories		
Operating supplies and spare parts	12,624	12,797
	118,960	141,550
Recognised in profit or loss:		
Inventories recognised in profit or loss	516,747	616,078
Allowance for inventory write-down	1,334	1,422

NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES (CONTINUED)

8.1 Trading and manufacturing inventories (continued)

Due to the long-aged metal inventories and non-metal inventories, management wrote down certain inventories to their net realisable value. Allowance for inventory write-down is determined based on future estimated utilisation rate and the estimated scrap value.

Reviews are made periodically by management on the allowance for inventory write-down. These reviews require judgements and estimates to determine the provisional rate and scrap value written down. Possible changes in these estimates could result in revisions to the valuation of inventories.

8.2 Properties under development and completed properties

	Group	
	2023 RM'000	2022 RM'000
Properties under development	–	55,779
Completed properties	10,504	–
	10,504	55,779

During the year, the Group has completed the construction of its properties under development. Consequently, unsold properties of RM10,504,000 have been classified as completed properties.

8.3 Estimation uncertainty and critical judgements

The Group estimates revenue and budgeted costs for property development projects based on the following key assumptions:

- Revenue on development projects has been projected based on the estimated market selling price of the units; and
- Property development costs have been projected based on prevailing costs of construction and such costs are reviewed on an ongoing basis.

Any revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

8.4 Material accounting policy information

(i) Trading and manufacturing inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

(ii) Properties under development

Properties under development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES (CONTINUED)

8.4 Material accounting policy information (continued)

(ii) Properties under development (continued)

Property development costs are classified as current at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 4 to 5 years.

When the financial development and construction activities have commenced, the financial outcome of the development revenue will be recognised for the development units sold and determined by reference to the stage of completion of the development activity at the balance sheet date.

Costs of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

(iii) Completed properties

Completed properties are measured at the lower of cost and net realisable value.

The cost of completed properties is determined on the specific identification basis and included cost of land, construction and appropriate development expenses.

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

9. CONTRACT ASSETS/(LIABILITIES)

	Note	Group	
		2023 RM'000	2022 RM'000
Contract assets	9.1	1,838	7,972
Contract liabilities	9.2	(2,826)	(26,811)

9.1 The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 30 days.

9.2 The contract liabilities primarily relate to the advance consideration received from customers where invoices or progress billings were issued in advance.

The changes in contract assets and liabilities during the current and previous financial years are due to billings issued and revenue recognised.

NOTES TO THE FINANCIAL STATEMENTS

10. CONTRACT COSTS

	Note	Group	
		2023 RM'000	2022 RM'000
Cost to obtain a contract	10.1	–	2,986
Cost to fulfil a contract	10.2	–	6,870
		–	9,856

10.1 Cost to obtain a contract primarily comprised incremental sales commission fees paid to intermediaries as a result of obtaining contracts. The capitalised sales commission fees were expensed to profit or loss over time based on the percentage of completion.

	2023 RM'000	2022 RM'000
Cost to obtain a contract recognised as property development and construction costs in profit or loss	(8,018)	(19,553)

10.2 Land costs and development costs that were attributable to the sold property units are capitalised as contract costs during the financial year. The capitalised costs were expensed to profit or loss over time based on the percentage of completion.

	2023 RM'000	2022 RM'000
Cost to fulfill a contract recognised as property development and construction costs in profit or loss	(66,955)	(191,034)

11. TRADE RECEIVABLES

	Note	Group	
		2023 RM'000	2022 RM'000
Trade receivables	11.1	46,121	66,266

11.1 The credit terms of trade receivables range from 7 days to 90 days (2022: 7 days to 90 days).

The Group has entered into non-recourse receivables financing agreements with a financial institution where the rights for collection and significantly all the risks and rewards over the receivables under the financing agreements have been transferred to the financial institution. As at the end of the financial year, a total of RM28,352,000 (2022: RM25,289,000) has been derecognised from the trade receivables balance.

NOTES TO THE FINANCIAL STATEMENTS

12. OTHER RECEIVABLES AND PREPAYMENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividends receivable		–	–	6,743	6,717
Other receivables	12.1	8,015	1,035	–	–
Advance payments to suppliers		4,652	13,039	–	–
Prepayments	12.2	5,047	1,585	–	–
Deposits		396	827	–	–
Staff advances		61	282	–	–
		18,171	16,768	6,743	6,717

12.1 Included in other receivables are earnest deposit of RM5,600,000 (2022: RM Nil) paid to a third party for 2 parcels of leasehold vacant commercial land located at Bukit Raja, Klang, Selangor (see Note 34).

12.2 Included in prepayments are pre-acquisition costs of RM3,507,000 (2022: RM Nil) associated with the proposed acquisition of land (see Note 34).

13. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks	13.1	2,294	1,466	–	–
Liquid investments	13.2	82,291	–	–	–
Bank balances		70,126	126,324	3,297	2,004
		154,711	127,790	3,297	2,004

13.1 Included in deposits placed with licensed banks of the Group is RM Nil (2022: RM1,148,000) pledged for bank facilities granted to the Group (see Note 15.1).

13.2 The liquid investments represent investments in unit trust funds which primarily invest in money market instruments. The liquid investments are deemed as cash and cash equivalents in view of its high liquidity and insignificant risks of changes in the value of the investments.

13.3 Cash and cash equivalents of the Group at the end of the current financial year include the following balances held on behalf of the owners of EmHub development which is managed by EM Hub Sdn. Bhd., the developer of the development (“EmHub”), which are not available for use by the Group (see Note 18.2):

- (a) Bank balances amounting to RM2,048,000; and
- (b) Deposits placed with financial institutions amounting to RM2,061,000.

NOTES TO THE FINANCIAL STATEMENTS

14. SHARE CAPITAL

	Group and Company			
	Number of shares 2023 '000	Amount 2023 RM'000	Number of shares 2022 '000	Amount 2022 RM'000
	Issued and fully paid shares with no par value:			
Ordinary shares	134,331	104,778	134,331	104,778

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

15. LOANS AND BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Non-current		
Secured or guaranteed:		
Term loans	31,511	38,512
Hire purchase liabilities	181	273
	31,692	38,785
Current		
Secured or guaranteed:		
Term loans	7,001	7,001
Hire purchase liabilities	92	188
Revolving credits	73,000	85,000
Trade finances	57,200	22,300
Bankers' acceptances	-	200
Unsecured:		
Corporate credit card facility from a financial institution	-	5
	137,293	114,694
	168,985	153,479

15.1 Security and guarantee

The term loans, revolving credits, trade finances and bankers' acceptances are secured or guaranteed over:

- i) legal charge over the Group's leasehold land (see Note 4);
- ii) deposits pledged to licensed bank (see Note 13); and/or
- iii) corporate guarantee from the Company.

NOTES TO THE FINANCIAL STATEMENTS

15. LOANS AND BORROWINGS (CONTINUED)

15.2 Hire purchase liabilities

	Group		
	Future minimum hire purchase liabilities RM'000	Interest RM'000	Present value of minimum hire purchase liabilities RM'000
2023			
Less than one year	103	11	92
Between one and five years	189	8	181
	292	19	273
2022			
Less than one year	206	18	188
Between one and five years	293	20	273
	499	38	461

The hire purchase liabilities are secured over the respective assets acquired or guaranteed by a subsidiary.

16. PROVISION FOR GRATUITY SCHEME

The Group operates an unfunded final salary defined benefit gratuity scheme for its employees.

The movements in the present value of unfunded obligations are as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Defined benefit gratuity scheme			
At beginning of the financial year		3,983	4,770
Included in the profit or loss:			
- Current service cost		155	178
- Interest cost		154	176
	23	309	354
Included in other comprehensive income:			
Actuarial (gain)/loss arising from:			
- Financial assumptions		(19)	-
- Experience adjustments		268	-
Gratuity paid		249 (676)	- (1,141)
At end of the financial year		3,865	3,983

NOTES TO THE FINANCIAL STATEMENTS

16. PROVISION FOR GRATUITY SCHEME (CONTINUED)

	Group	
	2023 RM'000	2022 RM'000
Represented by:		
Non-current	3,184	3,321
Current	681	662
	3,865	3,983

The principal actuarial assumptions used in respect of the defined benefit gratuity scheme are as follows:

	Group	
	2023 %	2022 %
Discount rate	4.4	4.3
Expected average rate of salary increases	5.0	5.0

Independent actuaries value the scheme using the projected unit credit actuarial cost method.

The discount rate used is based on investment grade private debt securities with tenure approximating the tenure of gratuity liability. The salary growth takes into account market factor such as inflation rate.

The defined benefit plan exposes the Group to financial risks such as interest rates and future salary incremental rates risk.

The sensitivity of the defined benefit obligation to changes in the weighted principal actuarial assumptions is as follows:

	Group	
	2023 RM'000	2022 RM'000
Discount rate - 1%		
- effect an increase of	205	213
Discount rate + 1%		
- effect a decrease of	(185)	(192)
Salary increment rate - 1%		
- effect a decrease of	(170)	(211)
Salary increment rate + 1%		
- effect an increase of	184	229

The above sensitivity analysis considers a change of each principal assumption in isolation.

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE PAYABLES

	Note	Group	
		2023 RM'000	2022 RM'000
Trade payables	17.1	21,637	36,121
Trade related accruals	17.2	4,971	9,517
		26,608	45,638

The credit terms of trade payables granted to the Group range from 7 days to 90 days (2022: 7 days to 90 days).

17.1 Included in trade payables are retention sums amounting to RM2,818,000 (2022: RM4,649,000). The retention sums are interest free, unsecured and expected to be payable within 1 year to 3 years.

17.2 Included in trade related accruals are accruals for metal in transit of RM2,553,000 (2022: RM7,593,000).

18. OTHER PAYABLES AND ACCRUALS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payroll related accruals - salaries, benefits and allowances		1,698	9,599	483	646
Other accruals and sundry payables	18.1	15,556	21,600	117	128
Amounts due to owners of EmHub	18.2	4,109	-	-	-
		21,363	31,199	600	774

18.1 Included in other accruals and sundry payables are refundable excess payments from purchasers of RM10,000 (2022: RM6,336,251) and remaining development costs to completion of RM2,067,000 (2022: RM Nil), which primarily relate to works completed and services rendered by contractors, but yet to be billed as at year end.

18.2 This balance comprises cash and cash equivalents held on behalf of the owners of EmHub amounting to RM4,109,000 as disclosed in Note 13.

19. AMOUNT DUE TO A SUBSIDIARY

The non-trade balance due to a subsidiary was unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	←----- 2023 -----→			←----- 2022 -----→		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Derivatives held for trading at fair value through profit or loss						
- Forward exchange contracts (Note a)	-	-	-	26,464	-	(23)
- Forward exchange contracts (Note b)	21,962	-	(101)	-	-	-
	21,962	-	(101)	26,464	-	(23)

Forward foreign exchange contracts

Aside from using natural hedges, the Group enters into forward foreign currency exchange contracts with licensed financial institutions to limit its exposure on foreign currency receivables and payables.

Note (a)

Under the forward contracts - receivables, the currency to be received was Ringgit Malaysia and the currency to be paid was US Dollar. The maturity period of the contracts ranges between 1 month to 2 months.

Note (b)

Under the forward contracts - payables, the currency to be paid is Ringgit Malaysia and the currency to be received is US Dollar. The maturity period of the contracts is within 1 month.

21. REVENUE

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers					
Aluminium products					
Sales of manufactured goods	21.1	517,866	636,155	-	-
Sales of scraps	21.1	136	130	-	-
Sales of roofing products	21.1	11,734	10,281	-	-
Property development and construction					
Sales of properties	21.2	119,973	309,170	-	-
Construction contracts	21.3	10,295	20,278	-	-
Other revenue					
Investment holding					
Dividend income		-	-	6,743	6,717
Total revenue		660,004	976,014	6,743	6,717
Timing of recognition					
At a point in time		529,736	646,566		
Over time		130,268	329,448		
		660,004	976,014		

NOTES TO THE FINANCIAL STATEMENTS

21. REVENUE (CONTINUED)

Disaggregation of revenue by geographical markets is disclosed in Note 29.2 to the financial statements.

21.1 Revenue from sales of aluminium products

Revenue from sales of aluminium products is recognised when the goods are delivered and accepted by the customers at their premises or shipped on board as evidenced by bill of lading. The payment terms range from 7 days to 90 days (2022: 7 days to 90 days) from invoice date. Roofing products include assurance warranties of 2 to 25 years given to customers.

The Group estimates that the revenue from the additional performance obligation, arising from shipping and handling activities provided to be recognised over time, is immaterial for separate recognition from the sale of products.

21.2 Revenue from sales of properties

Revenue from sales of properties is recognised over time using input method, assessed by reference to the proportion of development costs incurred for work performed to-date to the estimated total development costs. The payment terms are 14 days from invoice date. The Group is required to fulfil warranty obligation over a defect liability period of twelve months upon delivery of vacant possession of the development unit to the customers.

21.3 Revenue from construction contracts

Revenue from construction contracts is recognised over time using input method, assessed by reference to the proportion of construction costs incurred for work performed to-date to the estimated total construction costs. Payment terms range from 30 days to 60 days from the date of interim certificate. The Group is required to fulfil warranty obligation over a defect liability period up to 24 months from the date of completion.

21.4 Transaction prices allocated to the remaining performance obligations

The Group applies the practical expedient on the exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

The following table summarises the revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2024 - 2025 RM'000
2023	
Construction contracts	15,540
<hr/>	
	2023 - 2024 RM'000
2022	
Sales of properties	51,186
Construction contracts	7,848
<hr/>	
	59,034
<hr/>	

NOTES TO THE FINANCIAL STATEMENTS

21. REVENUE (CONTINUED)

21.5 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For revenue recognised over time using the cost incurred method, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates, past experience of the Directors and management and also past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.
- For revenue from sales of properties recognised in respect of contracts with customers who are not supported by end-financiers, the Group has assessed and determined that collectability of the consideration from these customers is probable. In making this judgement, the Group has considered the likelihood and trend of collections from similar customers.

22. OTHER OPERATING INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- Interest income from financial institutions	1,056	524	41	13
- Interest income on short-term deposits	350	97	-	-
Interest income of financial assets at fair value through profit or loss:				
- Interest income from unit trust funds	428	-	-	-
Unrealised gain on unit trust funds	458	-	-	-
Gain on disposal of property, plant and equipment	216	274	-	-
Miscellaneous income	1,614	1,497	-	-
	4,122	2,392	41	13

23. STAFF COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and bonuses	42,596	41,103	483	632
Defined contribution retirement plan	3,723	3,874	66	221
Defined benefit gratuity scheme	309	354	-	-
Other employee benefits	873	578	6	39
	47,501	45,909	555	892

NOTES TO THE FINANCIAL STATEMENTS

24. INTEREST EXPENSES

	Group	
	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bankers' acceptances	-	2
- term loans	2,155	2,649
- revolving credits	3,249	2,904
- bridging loans	-	1,631
- trade finances	1,719	1,243
- hire purchase liabilities	18	27
- overdraft	1	8
Interest expense on lease liabilities	114	146
Interest expense on receivables financing	2,010	1,311
	9,266	9,921
Recognised in profit or loss	8,698	9,921
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:		
- Property, plant and equipment	568	-
	9,266	9,921

25. PROFIT BEFORE TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remunerations				
- Audit fees	327	303	56	54
- Non-audit fees	74	73	22	22
Material expenses/(income)				
Allowance for inventory write-down	1,334	1,422	-	-
Amortisation of intangible assets	171	220	-	-
Depreciation of:				
- property, plant and equipment	9,087	8,825	-	-
- right-of-use assets	1,750	1,696	-	-
Dividend income from a subsidiary	-	-	6,743	6,717
Government grants on wage subsidy	(91)	(898)	-	-
(Gain)/Loss on foreign exchange:				
- realised	467	(1,850)	-	-
- unrealised	(1,039)	475	-	-
Net fair value loss on forward foreign exchange contracts	78	535	-	-
Net loss on impairment of financial instruments				
Financial assets at amortised cost	150	77	-	-

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense				
Current year	8,381	24,511	8	4
Under/(Over) provision in prior year	147	(62)	1	1
Total current tax recognised in profit or loss	8,528	24,449	9	5
Deferred tax expense				
Origination and reversal of temporary differences	(1,996)	1,466	-	-
Under/(Over) provision in prior year	380	(8)	-	-
Total deferred tax recognised in profit or loss (Note 7)	(1,616)	1,458	-	-
Total tax expense	6,912	25,907	9	5
Reconciliation of tax expense				
Profit before tax	23,213	103,529	5,390	5,258
Income tax calculated using Malaysian tax rate of 24%	5,571	24,847	1,294	1,262
Non-deductible expenses	1,047	1,422	332	354
Income not subject to tax	(132)	(209)	(1,618)	(1,612)
Double deduction claims	(101)	(83)	-	-
Under/(Over) provided in prior year	527	(70)	1	1
	6,912	25,907	9	5

27. EARNINGS PER ORDINARY SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
Profit attributable to the owners of the Company (RM'000)	16,749	77,509
Weighted average number of ordinary shares in issue ('000)	134,331	134,331
Basic earnings per ordinary share (sen)	12.47	57.70

Diluted earnings per share is not presented as there are no dilutive instruments as at the end of the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS

Dividends recognised by the Company:

	RM per share	Total amount RM'000	Date of payment
2023			
First and final ordinary dividend	0.040	5,373	Note 28.1
2022			
First and final ordinary dividend	0.025	3,358	26 July 2023

28.1 The Directors recommended a first and final ordinary dividend of 4 sen per share amounting to RM5,373,234 in respect of the financial year under review on 27 February 2024. The aforesaid dividend is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

The Directors do not recommend any other dividend for the financial year under review.

29. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Makers ("CODMs") review internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- i) Manufacturing - manufacturing and trading of aluminium products
- ii) Property development - development of commercial properties
- iii) Construction - property construction works and supply and installation of roof and cladding systems
- iv) Investment holding

There are varying levels of integration between manufacturing reportable segment, property development reportable segment and construction reportable segment. This integration includes manufacturing reportable segment transfers of aluminium products to construction reportable segment and construction reportable segment providing property construction works to property development reportable segment respectively. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the CODMs. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the CODMs. Hence, no disclosure is made on segment assets and liabilities.

	Group				Elimination RM'000	Total RM'000
	Manufacturing RM'000	Property development RM'000	Construction RM'000	Investment holding RM'000		
2023						
Segment profit	13,208	25,302	1,109	5,349	(3,883)	41,085

*Included in the measure
of segment profit are:*

Revenue from external customers	529,736	119,973	10,295	-	-	660,004
(Allowance for)/ Reversal of inventory write-down	(1,375)	-	41	-	-	(1,334)

2022						
Segment profit	29,472	81,004	12,451	5,245	(4,602)	123,570

*Included in the measure
of segment profit are:*

Revenue from external customers	646,416	309,168	20,430	-	-	976,014
Allowance of inventory write-down	(1,360)	-	(62)	-	-	(1,422)

29.1 Reconciliation of reportable segment revenue and profit or loss

	Group	
	2023 RM'000	2022 RM'000
Profit or loss		
Total profit or loss for reportable segments	41,085	123,570
Interest income	1,834	621
Interest expenses	(8,698)	(9,921)
Depreciation of property, plant and equipment	(9,087)	(8,825)
Depreciation of right-of-use assets	(1,750)	(1,696)
Amortisation of intangible assets	(171)	(220)
Tax expense	(6,912)	(25,907)
Consolidated total	16,301	77,622

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONTINUED)

29.2 Geographical segments

All non-current assets of the Group are located in Malaysia, being the Group's country of domicile. The breakdown of the Group's external revenues based on the geographical location of the external customers are as follows:

	Group	
	2023 RM'000	2022 RM'000
Revenue		
Malaysia	181,084	387,921
United States of America	62,051	132,663
Thailand	53,090	72,098
India	125,987	144,373
Asia (excludes Malaysia, Thailand and India)	57,252	61,249
Europe	174,450	160,756
Middle East	4,528	15,188
Others	1,562	1,766
	660,004	976,014

Included in sales to customers in Malaysia are sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM2,889,000 (2022: RM5,150,000).

29.3 Major customer

The Group has a customer with revenue equal or more than 10% of the Group's total revenue amounting to RM189,236,000 (2022: RM117,628,000) from the manufacturing segment.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss (“FVTPL”)
 - Mandatorily required by MFRS 9
- (b) Amortised cost (“AC”)

	Group		
	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2023			
Financial assets			
Trade receivables	46,121	-	46,121
Other receivables (excluding prepayments and advance payments to suppliers)	8,472	-	8,472
Liquid investments	82,291	82,291	-
Cash and cash equivalents	72,420	-	72,420
	209,304	82,291	127,013
Financial liabilities			
Trade payables	(26,608)	-	(26,608)
Other payables and accruals	(21,363)	-	(21,363)
Loans and borrowings	(168,985)	-	(168,985)
Derivative financial instruments	(101)	(101)	-
	(217,057)	(101)	(216,956)
	Company		
	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2023			
Financial assets			
Other receivables	6,743	-	6,743
Cash and cash equivalents	3,297	-	3,297
	10,040	-	10,040
Financial liabilities			
Other payables and accruals	(600)	-	(600)

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Categories of financial instruments (continued)

	Group		
	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2022			
Financial assets			
Trade receivables	66,266	–	66,266
Other receivables (excluding prepayments and advance payments to suppliers)	2,144	–	2,144
Cash and cash equivalents	127,790	–	127,790
	196,200	–	196,200
Financial liabilities			
Trade payables	(45,638)	–	(45,638)
Other payables and accruals	(31,199)	–	(31,199)
Loans and borrowings	(153,479)	–	(153,479)
Derivative financial instruments	(23)	(23)	–
	(230,339)	(23)	(230,316)
	Company		
	Carrying amount RM'000	FVTPL RM'000	AC RM'000
2022			
Financial asset			
Other receivables	6,717	–	6,717
Cash and cash equivalents	2,004	–	2,004
	8,721	–	8,721
Financial liabilities			
Amount due to a subsidiary	(281)	–	(281)
Other payables and accruals	(774)	–	(774)
	(1,055)	–	(1,055)

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Net gains and losses arising from financial instruments

	Group	
	2023 RM'000	2022 RM'000
Net gains/(losses) on:		
- Financial assets at fair value through profit or loss	886	-
- Financial liabilities at fair value through profit or loss	(78)	(535)
- Financial assets at amortised cost	1,297	(304)
- Financial liabilities at amortised cost	(8,053)	(7,552)
	(5,948)	(8,391)
	Company	
	2023 RM'000	2022 RM'000
Net gains on financial assets at amortised cost	41	13

30.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from individual characteristics of each customer, contract assets, other receivables and cash and cash equivalents. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risks are minimised through credit insurance purchased from insurance companies, trade receivables financing from financial institutions and credit evaluations performed on customers requiring credit terms.

For trade receivables under the property development segment, credit risks are minimised by primarily securing purchasers whom obtain financing from banks and financial institutions.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	Group	
	2023 RM'000	2022 RM'000
Malaysia	13,401	60,990
United States of America	10,648	2,665
Thailand	1,810	2,180
India	12,189	4,753
Asia (excludes Malaysia, Thailand and India)	823	752
Europe	8,601	2,849
Middle East	275	32
Others	212	17
	47,959	74,238

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is that for any invoices above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

The Group uses an allowance matrix to measure Expected Credit Losses ("ECLs") of trade receivables. Invoices will be considered as credit impaired when one or more events that have a detrimental impact on the recovery of the trade receivables have occurred.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Group		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (not past due)	37,292	-	37,292
1-30 days past due	5,034	-	5,034
31-60 days past due	1,328	-	1,328
61-90 days past due	124	-	124
More than 90 days past due	4,498	(317)	4,181
	48,276	(317)	47,959
Trade receivables	46,438	(317)	46,121
Contract assets	1,838	-	1,838
	48,276	(317)	47,959
2022			
Current (not past due)	32,720	(2)	32,718
1-30 days past due	17,251	(3)	17,248
31-60 days past due	17,595	-	17,595
61-90 days past due	4,380	-	4,380
More than 90 days past due	2,459	(162)	2,297
	74,405	(167)	74,238
Trade receivables	66,433	(167)	66,266
Contract assets	7,972	-	7,972
	74,405	(167)	74,238

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

	Group		
	Lifetime ECL RM'000	Trade receivables Credit impaired RM'000	Total RM'000
Balance at 1 January 2022	60	30	90
Net remeasurement of loss allowance	77	–	77
Balance at 31 December 2022/1 January 2023	137	30	167
Net remeasurement of loss allowance	(13)	163	150
Balance at 31 December 2023	124	193	317

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that no loss allowance is necessary.

Other receivables

Credit risks on other receivables are mainly arising from deposits, dividends receivable, staff advances and other receivables.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group and the Company did not consider it necessary to recognise any allowance for impairment losses.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured corporate guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM48,512,000 (2022: RM85,713,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

30.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, lease liabilities, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2023	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
<i>Non-derivative financial liabilities</i>							
Term loans	38,512	4.98% - 5.39%	42,569	8,354	8,078	22,601	3,536
Hire purchase liabilities	273	3.20% - 3.98%	292	103	104	85	-
Revolving credits	73,000	3.82% - 5.24%	73,302	73,302	-	-	-
Trade finances	57,200	4.08% - 4.41%	59,628	59,628	-	-	-
Lease liabilities	2,121	3.89% - 6.00%	2,232	1,193	796	243	-
Trade and other payables	47,971	-	47,971	47,971	-	-	-
	219,077		225,994	190,551	8,978	22,929	3,536
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	101	-	(37,352)	(37,352)	-	-	-
Inflow	-	-	37,453	37,453	-	-	-
	219,178		226,095	190,652	8,978	22,929	3,536
Company							
<i>Non-derivative financial liabilities</i>							
Financial guarantees	-		692,346	692,346	-	-	-
Other payables and accruals	600		600	600	-	-	-
	600		692,946	692,946	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

2022	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
<i>Non-derivative financial liabilities</i>							
Term loans	45,513	3.92% - 4.96%	51,191	8,622	8,354	23,417	10,798
Hire purchase liabilities	461	2.31% - 3.98%	499	206	190	103	-
Revolving credits	85,000	3.11% - 5.65%	85,212	85,212	-	-	-
Trade finances	22,300	2.95% - 4.24%	23,102	23,102	-	-	-
Bankers' acceptance	200	6.45%	202	202	-	-	-
Corporate credit card facility from a financial institution	5	-	5	5	-	-	-
Lease liabilities	2,993	3.89% - 6.00%	3,242	1,534	962	746	-
Trade and other payables	76,837	-	76,837	76,837	-	-	-
	233,309		240,290	195,720	9,506	24,266	10,798
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	-	-	(26,464)	(26,464)	-	-	-
Inflow	23	-	26,487	26,487	-	-	-
	233,332		240,313	195,743	9,506	24,266	10,798
Company							
<i>Non-derivative financial liabilities</i>							
Financial guarantees	-	-	469,015	469,015	-	-	-
Other payables and accruals	774	-	774	774	-	-	-
Amount due to a subsidiary	281	-	281	281	-	-	-
	1,055		470,070	470,070	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

30.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD") and Renminbi ("RMB").

Risk management objectives, policies and processes for managing the risk

The Group enters into forward foreign exchange contracts in the normal course of business to manage its exposure against foreign currency fluctuations on transactions denominated in foreign currencies.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows:

	Group	
	USD RM'000	RMB RM'000
2023		
Trade and other receivables	34,509	-
Trade and other payables	(1,781)	(8,703)
Cash and cash equivalents	42,026	-
Derivative financial instruments	(101)	-
Exposure in the statements of financial position	74,653	(8,703)
2022		
Trade and other receivables	13,158	-
Trade and other payables	(11,976)	-
Cash and cash equivalents	1,497	-
Derivative financial instruments	(23)	-
Exposure in the statements of financial position	2,656	-

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.6 Market risk (continued)

30.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk arises from USD and RMB against RM. The exposure to other currency is not material and hence, sensitivity analysis is not presented.

A 10% (2022: 10%) strengthening of Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variance that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group			
	2023		2022	
	Equity RM'000	Profit or loss RM'000	Equity RM'000	Profit or loss RM'000
USD	(5,674)	(5,674)	(202)	(202)
RMB	661	661	-	-

A 10% (2022: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

30.6.2 Interest rate risk

The Group's fixed rate financial assets and financial liabilities are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate financial assets and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

In managing interest rate risk, the Group maintains a balanced portfolio of fixed and floating rate instruments. All interest rate exposures are monitored and managed by the Group on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.6 Market risk (continued)

30.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	Group	
	2023 RM'000	2022 RM'000
Fixed rate instruments		
Financial assets	233	1,466
Financial liabilities	(2,394)	(3,454)
	(2,161)	(1,988)
Floating rate instruments		
Financial assets	82,291	–
Financial liabilities	(168,712)	(153,013)
	(86,421)	(153,013)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group			
	Profit or loss			
	2023		2022	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
Floating rate instruments				
Cash flow sensitivity (net)	(657)	657	(1,163)	1,163

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of the floating rate long-term borrowings approximate fair value as they are subject to a variable interest rate which in turn approximates the current market interest rates for similar borrowings at the end of the reporting period.

The tables below analyse financial instruments carried at fair value.

	Group							Carrying amount
	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000		
2023								
Financial liabilities								
Derivative financial instruments	-	(101)	-	(101)	-	-	-	(101)
Financial assets								
Liquid investments	-	-	-	-	-	82,291	-	82,291
2022								
Financial liabilities								
Derivative financial instruments	-	(23)	-	(23)	-	-	-	(23)

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.7 Fair value information (continued)

Level 2 fair value

Liquid investments

The fair value of liquid investments is their last quoted bid price by the fund managers at the end of the reporting period.

Derivative financial instruments

The fair value of forward exchange contracts is based on market price obtained from the licensed financed institutions of which these contracts were entered into with.

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The market rate of interest is determined by reference to similar borrowing arrangements and lease agreements.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: No transfer in either directions).

31. CAPITAL MANAGEMENT

The objectives of the Group and the Company when managing capital are to safeguard the ability of the Group and of the Company to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment.

The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group's debt-to-equity ratios are as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Loans and borrowings	15	168,985	153,479
Less: Cash and cash equivalents	13	(154,711)	(127,790)
Net debt		14,274	25,689
Total equity		243,082	230,328
Debt-to-equity ratio		0.06	0.11

There was no change in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

32. CAPITAL COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for	111,023	2,710

As at 31 December 2023, capital expenditure commitments mainly relate to the construction of caster line and heavy machineries of the Group.

33. RELATED PARTIES

33.1 Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below.

	Group	
	2023 RM'000	2022 RM'000
Income		
<i>Transactions with companies that a substantial shareholder of the Company has interests</i>		
Sale of finished goods to:		
- Aik Joo Can Factory Sdn. Berhad	-	122
- KJ Can (Selangor) Sdn. Bhd.	-	230
<i>Transactions with Directors of a subsidiary</i>		
Sale of ordinary shares of a subsidiary	-	150

	Group	
	2023 RM'000	2022 RM'000
Expenditures		
<i>Transactions with a company that certain Directors of the Company and a subsidiary have interests</i>		
Purchase of construction materials from:		
- Emglobal Builders Sdn. Bhd.	36	2

	Company	
	2023 RM'000	2022 RM'000
Income		
<i>Transactions with Aluminium Company of Malaysia Berhad, a subsidiary</i>		
Dividend income	1,343	6,717
<i>Transactions with AGB Land Sdn. Bhd., a subsidiary</i>		
Dividend income	5,400	-

NOTES TO THE FINANCIAL STATEMENTS

33. RELATED PARTIES (CONTINUED)

33.2 Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company:				
- fees	466	466	466	466
- salaries, bonuses and other remunerations	6,994	4,205	609	826
- estimated monetary value of benefits-in-kind	29	32	-	-
	7,489	4,703	1,075	1,292
Other Directors of the Group entities:				
- salaries, bonuses and other remunerations	4,371	3,609	-	-
- estimated monetary value of benefits-in-kind	-	2	-	-
	4,371	3,611	-	-
Other key management personnel:				
- salaries, bonuses and other remunerations	3,496	3,485	-	-
- estimated monetary value of benefits-in-kind	120	126	-	-
	3,616	3,611	-	-
	15,476	11,925	1,075	1,292

Other key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

34. SIGNIFICANT EVENT

In April 2023, the Group via its wholly-owned subsidiary, AG Avenue Sdn. Bhd. entered into a conditional sales and purchase agreement with a third party for the acquisition of 2 parcels of leasehold vacant commercial land located in Bukit Raja, Klang, Selangor for a total cash consideration of RM56,000,000. As of 31 December 2023, the completion of the acquisition is subject to the fulfilment of the conditions precedent of the said agreement.



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on page 53 to 101 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of 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 of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

Yeoh Jin Hoe
Director

Heon Chee Shyong
Director

Klang, Selangor

Date: 18 April 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Gan Kwang Siang**, the officer primarily responsible for the financial management of Alcom Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 53 to 101 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Gan Kwang Siang**, NRIC: 770819-01-6483, MIA CA 24468 at Petaling Jaya in the State of Selangor on 18 April 2024.

Gan Kwang Siang

Before me:

WONG CHOY YIN
(No. B508)
Commissioner for Oaths
Petaling Jaya, Selangor

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALCOM GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Alcom Group Berhad, which comprise the statements of financial position as at 31 December 2023 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 53 to 101.

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 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' 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 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.

The key audit matter of the Group

Valuation and costing of trading and manufacturing inventories

Refer to Note 8 to the financial statements.

At 31 December 2023, the Group held RM118,960,000 of trading and manufacturing inventories. These inventories comprise metal and non-metal inventories and represent one of the largest category of assets on the statement of financial position of the Group. Costing of metal inventories has been identified as a key audit matter for the Group because the carrying amount is significant to the financial statements and it requires us to incur significant time and effort to determine that the costs of metal inventories reflect the manufacturing costs incurred in bringing them to their physical location and condition. In addition, judgements are involved in determining the reasonableness and adequacy of the allowance for inventory write-down of slow-moving trading and manufacturing inventories.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALCOM GROUP BERHAD

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- i) We have assessed the appropriateness of the Group's costing methodology by considering that relevant inputs were taken into account to arrive at the carrying amount of the metal inventories. Our IT Specialists have tested the IT applications which provide certain relevant inputs used in the costing methodology. We have also determined the appropriateness of the basis and processes used by the Group in allocating the direct labour and overhead costs to arrive at the costs of metal inventories as at year end;
- ii) We checked the cost of raw materials input by comparing to suppliers' invoices on a sampling basis;
- iii) We assessed that finished goods are carried at the lower of cost and net realisable value by testing to the selling prices; and
- iv) We challenged the reasonableness and adequacy of the Group's policy on allowance of inventory write-down for trading and manufacturing inventories by assessing the ageing of non-metal inventories and comparing the provisional rate applied against actual losses, and evaluating the reasonableness of the scrap value used in allowance of inventory write-down for slow moving metal inventories.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, 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 Malaysian Financial Reporting Standards, IFRS Accounting Standards 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALCOM GROUP BERHAD

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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.
- 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 gives a true and fair view.
- 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALCOM GROUP BERHAD

OTHER MATTER

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 18 April 2024

Eric Kuo Sze-Wei
Approval Number: 03473/11/2025 J
Chartered Accountant

PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

Location	Description	Tenure	Land Area	Age of Building (years)	Net Book Value	Year of revaluation/ acquisition
No. 3, Persiaran Waja Bukit Raja Industrial Estate 41050 Klang Selangor Darul Ehsan Malaysia	Factory and Office Building	99 years leasehold expiring in year 2088	29.97 acres	42 years	RM25.0 million	1985
B-01-16, B-01-17 & B-01-18 EmHub, Persiaran Surian Seksyen 3, Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Malaysia	Office and Sales Gallery	88 years leasehold expiring in year 2107	11,046 square feet	1 year	RM4.8 million	2023

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

Total number of issued shares	:	134,330,850
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100 shares	294	8.86	5,097	*
100 to 1,000 shares	686	20.68	489,193	0.36
1,001 to 10,000 shares	1,614	48.64	7,896,717	5.88
10,001 to 100,000 shares	651	19.62	20,126,817	14.98
100,001 to 6,716,541 shares	70	2.11	37,113,223	27.63
6,716,542 shares and above	3	0.09	68,699,803	51.14
Total	3,318	100.00	134,330,850	100.00

Note:

* Negligible

SUBSTANTIAL SHAREHOLDERS

(According to the Register of Substantial Shareholders)

Name	← Direct →		← Indirect →		← Total →	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Towerpack Sdn. Bhd.	43,636,698	32.48	–	–	43,636,698	32.48
Yeoh Jin Hoe	–	–	43,636,698 ^(a)	32.48 ^(a)	43,636,698	32.48
Alleyways Sdn. Bhd.	13,160,439	9.80	–	–	13,160,439	9.80
Dato' Eng Kim Liong	11,902,666	8.86	–	–	11,902,666	8.86

Note:

^(a) Deemed interest by virtue of his shareholding in Towerpack Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings)

Name	← Direct →		← Indirect →		← Total →	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Dato' Seri Subahan Bin Kamal	–	–	–	–	–	–
Heon Chee Shyong	–	–	–	–	–	–
Yeoh Jin Hoe	–	–	43,636,698 ^(a)	32.48 ^(a)	43,636,698	32.48
Goh Teck Hong	–	–	–	–	–	–
Wong Choon Shein	–	–	–	–	–	–
Lam Voon Kean	–	–	–	–	–	–
Datin Shelina Binti Razaly Wahi	–	–	–	–	–	–
Gong Wooi Teik	–	–	–	–	–	–
Marc Francis Yeoh Min Chang	–	–	–	–	–	–

Note:

^(a) Deemed interest by virtue of his shareholding in Towerpack Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(According to the Record of Depositors)

No.	Name	No. of shares held	%
1.	Towerpack Sdn. Bhd.	43,636,698	32.48
2.	Alleyways Sdn. Bhd.	13,160,439	9.80
3.	Dato' Eng Kim Liong	11,902,666	8.86
4.	Tan Han Chuan	5,904,500	4.40
5.	Ang Loo Leong	5,257,173	3.91
6.	Teo Kwee Hock	3,057,200	2.28
7.	Kam Choo Keng	2,866,800	2.13
8.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Siew Lai	1,951,900	1.45
9.	Choo Teik Heng	1,600,000	1.19
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Goh Ching Mun	1,394,000	1.04
11.	Ng Beng Lay	941,000	0.70
12.	Toh Ying Choo	800,000	0.60
13.	Addeen Consultancy & Management Sdn. Bhd.	715,600	0.53
14.	Lau Soo Chin	715,000	0.53
15.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Goalkey System Sdn Bhd (MY14 61)	636,000	0.47
16.	Chee See Giap @ Sin Chien	514,100	0.38
17.	Yeoh Beng Hooi	390,000	0.29
18.	Loh Loon Teik Sdn. Bhd.	380,000	0.28
19.	RHB Nominees (Tempatan) Sdn. Bhd. - OSK Trustees Berhad for The Divine Vision Trust	369,000	0.27
20.	Low Pek Kok	368,000	0.27
21.	Soh Hee Kok @ Soh Hee Wah	352,400	0.26
22.	Koo Boon Long	344,100	0.26
23.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Ching Ching	313,100	0.23
24.	Khor Tang Boey	302,000	0.22
25.	Kenanga Nominees (Asing) Sdn. Bhd. - Exempt An for Phillip Securities Pte. Ltd. (Client Account)	280,000	0.21
26.	Public Invest Nominees (Asing) Sdn. Bhd. - Exempt An for Phillip Securities Pte. Ltd. (Clients)	274,000	0.20
27.	Cartaban Nominees (Asing) Sdn. Bhd. - The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund	266,000	0.20
28.	Tang Vung Chi	265,700	0.20
29.	Yuen Thui Yang	260,000	0.19
30.	Lim Seng Qwee	250,000	0.19
Total		99,467,376	74.02

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting (“AGM”) of Alcom Group Berhad (“the Company”) will be conducted virtually and live-streamed from the broadcast venue at the Board Room, B-01-16, EmHub, Persiaran Surian, Seksyen 3, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) on Wednesday, 19 June 2024 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To lay before the meeting, the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon. | Please refer to Note E of this Agenda |
| 2. | To declare a first and final single-tier dividend of 4.0 sen per share in respect of the financial year ended 31 December 2023. | Resolution 1 |
| 3. | To re-elect the following directors who retire pursuant to Clause 82 of the Company’s Constitution: | |
| a. | Dato’ Seri Subahan Bin Kamal | Resolution 2 |
| b. | Goh Teck Hong | Resolution 3 |
| c. | Gong Wooi Teik | Resolution 4 |
| 4. | To approve the payment of Directors’ Fees amounting to RM466,800 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ended 31 December 2023. | Resolution 5 |
| 5. | To approve the payment of benefits of up to RM160,000 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ending 31 December 2024. | Resolution 6 |
| 6. | To re-appoint 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. | Resolution 7 |

AS SPECIAL BUSINESS

- | | | |
|----|---|---------------------|
| 7. | To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:- | |
| | Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 | Resolution 8 |

“THAT subject to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Board of Directors of the Company (“Board”) be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue shares in the Company at any time at such issue price which is at a not more than a ten per centum (10%) discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date to such Qualified Placee(s) as the Board may in its absolute discretion deem fit or appropriate, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares in the Company for the time being (excluding treasury shares), and upon such other additional terms and conditions (if any) to be determined by the Board. For the purposes of this resolution, “Qualified Placee(s)” shall refer to persons who are not (in accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) (a) a director, major shareholder or chief executive of the Company or a holding company of the Company (if applicable), or person(s) connected with such director, major shareholder or chief executive; or (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed. Qualified Placees shall also be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007;

NOTICE OF ANNUAL GENERAL MEETING

THAT such authority if/when passed shall constitute an authority for the issue of shares with prior shareholders' approval in a general meeting of the precise terms and conditions of the issue;

THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it shall lapse, unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM 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 in a general meeting,

whichever occurs first;

AND THAT the Board be and is empowered to apply for and obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

Proposed renewal of authority for the Company to purchase its own shares

Resolution 9

"THAT subject to compliance with the Companies Act 2016, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), provisions of the Company's Constitution and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Board of Directors of the Company ("Board") from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares in the Company as at the date of the share buy-back;
- (ii) an aggregate amount of the funds not exceeding the retained profits of the Company as at the date of the share buy-back, be utilised by the Company for the purchase of its own shares; and
- (iii) the shares of the Company to be purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Securities, or a combination of any of the above, at the absolute discretion of the Board;

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it shall lapse, unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM 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 in a general meeting,

NOTICE OF ANNUAL GENERAL MEETING

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the MMLR of Bursa Securities or any other relevant authorities;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts and things and to take all such steps as it deems fit, necessary, expedient and/or appropriate in order to complete and give full effect to the purchase by the Company of its own shares with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities.”

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature

Resolution 10

“THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of Part B of the Company’s Circular to Shareholders dated 26 April 2024 provided that:

- (i) such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business on normal commercial terms and on terms not more favourable to the parties with which such recurrent transactions are to be entered into than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) the mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the mandate during the financial year;

AND THAT the mandate conferred by this resolution shall continue to be in force until:

- (i) 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 Meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

AND FURTHER THAT the Board of Directors of the Company be and is hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as it may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.”

10. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and/or the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND PAYMENT AND DIVIDEND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN THAT a first and final single-tier dividend of 4.0 sen per share in respect of the financial year ended 31 December 2023 (“Dividend”), if approved by shareholders at the Sixth Annual General Meeting of the Company, will be paid to shareholders on 26 July 2024. The entitlement date for the Dividend shall be 10 July 2024.

Shareholders will be entitled to the Dividend only in respect of:

- (a) shares transferred into their Securities Account before 4.30 p.m. on 10 July 2024, for transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board of Directors

LYDIA TONG YIU SHYIAN-SHYIAN

SSM PC No. 202208000755
(BC/L/1922)

TEH YI TING

SSM PC No. 201908001859
(MAICSA 7068250)
Company Secretaries

Bukit Raja, Klang
Malaysia
26 April 2024

Notes:

(A) GENERAL MEETING RECORD OF DEPOSITORS

Only a depositor whose name appears on the General Meeting Record of Depositors as at 11 June 2024 shall be entitled to participate at the Sixth AGM of the Company or appoint proxy(ies) to participate and vote in his/her stead.

(B) MODE OF MEETING AND PROXY

- (i) *The venue of the Sixth AGM of the Company is strictly a Broadcast Venue as the conduct of the Sixth AGM of the Company will be conducted virtually and live-streamed. The Broadcast Venue is also for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

Members will not be allowed to attend the Sixth AGM of the Company in person at the Broadcast Venue on the day of the Meeting.

Members are to attend, ask questions to the Board of Directors (“Board”) via real time submission of typed texts and vote remotely (collectively, “participate”) at the Sixth AGM of the Company via the Remote Participation and Electronic Voting facilities (“RPEV”) provided by KPMG Management & Risk Consulting Sdn. Bhd. (“KPMG MRC”) via its ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024>. Please follow the Procedures for RPEV in the Administrative Details for the Sixth AGM.

- (ii) *A member of the Company entitled to participate at the Sixth AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to participate in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.*

NOTICE OF ANNUAL GENERAL MEETING

(B) MODE OF MEETING AND PROXY (CONTINUED)

- (iii) *Where a member of the Company is an Authorised Nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to participate at the Sixth AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“Omnibus Account”), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.*
- (iv) *If an instrument appointing a proxy is submitted in hard copy, it shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or signed by 2 authorised officers or its attorney duly authorised in writing. Any alteration to the instrument appointing a proxy must be initialled.*
- (v) *The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/ received by KPMG MRC, not less than 48 hours before the time appointed for holding the Sixth AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.*
- (vi) *In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of our Administration and Polling Agent, KPMG MRC at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.*
- (vii) *In the case of appointment by electronic form, the Proxy Form must be electronically lodged with KPMG MRC via its ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024> or via email to support_conveneagm@kpmg.com.my. Please refer to the Administrative Details for the Sixth AGM on the procedures for electronic lodgement of Proxy Form via ConveneAGM. Meeting Platform.*

(C) POLL VOTING

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), all the Resolutions set out in this Notice will be put to the vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.

(D) PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate at the forthcoming Sixth AGM of the Company and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Sixth AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Sixth AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”);*
- (ii) *warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalty, claim, demand, loss and damage as a result of the member’s breach of warranty.*

(E) AUDITED FINANCIAL STATEMENTS

This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act 2016, the audited financial statements do not require a formal approval of the members. Hence, this item will not be put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

(F) EXPLANATORY NOTES FOR ITEM 3 OF THE AGENDA

The profiles of the retiring Directors are set out in the Profiles of Directors on pages 5, 6 and 8 of the Company's Annual Report 2023. For the purpose of determining the eligibility of the Directors, Dato' Seri Subahan Bin Kamal, Goh Teck Hong and Gong Wooi Teik who are standing for re-election at the Sixth AGM, the Board through its Nomination Committee ("NC") had assessed them using the Independent Directors' Self-Assessment Checklist, Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, Audit & Risk Management Committee Evaluation Form, Performance Evaluation Sheet and Conflict of Interest Assessment Form in order to assess each of their calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings and training records for the financial year ended 31 December 2023.

Based on the evaluation results, the aforesaid retiring Directors, Dato' Seri Subahan Bin Kamal, Goh Teck Hong and Gong Wooi Teik met the performance criteria required of an effective member of the Board.

The Board, with the recommendation of the NC, endorsed the re-election of the Directors named under Resolutions 2, 3, and 4 who are due to retire in accordance with the Company's Constitution and are eligible to stand for re-election.

(G) EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 8 – Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 8 proposed, if passed, will give a mandate to the Board, from the date of the forthcoming Sixth AGM of the Company, to allot and issue ordinary shares of the Company at any time at such issue price which is at a not more than a 10% discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date, to such Qualified Placee(s) as the Board may in its absolute discretion, consider to be in the interest of the Company and upon such other additional terms and conditions (if any) to be determined by the Board, without having to convene a general meeting provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares in the Company for the time being ("Mandate"). The Mandate from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM 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 in a general meeting,

whichever occurs first.

The Mandate will provide flexibility to the Company to raise more capital expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, future investment(s), and/or acquisition(s).

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Mandate is in the best interests of the Company and its shareholders.

As at the date of this notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 22 June 2023. Hence, no proceeds were raised.

NOTICE OF ANNUAL GENERAL MEETING

(G) EXPLANATORY NOTES ON SPECIAL BUSINESS (CONTINUED)

Ordinary Resolution 9 – Proposed renewal of authority for the Company to purchase its own shares

Ordinary Resolution 9 proposed, if passed, will renew the authority for the Company to purchase through Bursa Securities such number of ordinary shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares in the Company. The renewed authority from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM 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 in a general meeting,

whichever occurs first.

For further information, please refer to the Share Buy-Back Statement dated 26 April 2024 which is made available together with the Company's Annual Report 2023 at <https://alcom.com.my/main/investor/>.

Ordinary Resolution 10 – Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("RRPTs")

Ordinary Resolution 10 proposed, if passed, will renew the mandate for the Company and its subsidiaries to enter into the RRPTs with Can-One Berhad and/or its subsidiary companies, as set out in Section 2.4 of Part B of the Circular to Shareholders dated 26 April 2024.

The aforesaid mandate from shareholders is on an annual basis and subject to renewal at the next AGM of the Company.

For further information, please refer to the Circular to Shareholders dated 26 April 2024 which is made available together with the Company's Annual Report 2023 at <https://alcom.com.my/main/investor/>.

ADMINISTRATIVE DETAILS FOR THE SIXTH ANNUAL GENERAL MEETING

Date	: Wednesday, 19 June 2024
Time	: 10.00 a.m.
Meeting Platform	: ConveneAGM at https://conveneagm.my/alcomagm2024
Broadcast Venue	: Board Room, B-01-16, EmHub Persiaran Surian, Seksyen 3 Kota Damansara, 47810 Petaling Jaya Selangor Darul Ehsan, Malaysia

MODE OF COMMUNICATION

Pose questions to the Board of Directors via real time submission of typed texts at ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024> during live streaming of the Sixth Annual General Meeting (“AGM”).

MODE OF MEETING

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the Sixth AGM in person at the Broadcast Venue on the day of the meeting.

ENTITLEMENT TO PARTICIPATE, VOTE AND APPOINT PROXY

Only shareholders whose names appear on the Record of Depositors as at **11 June 2024** shall be eligible to attend, ask questions to the Board of Directors via real time submission of typed texts and vote remotely (collectively, “participate”) at the Sixth AGM, or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.

REMOTE PARTICIPATION AND ELECTRONIC VOTING (“RPEV”) FACILITIES

The RPEV facilities is provided by KPMG Management & Risk Consulting Sdn. Bhd. (“KPMG MRC”) via its ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024>. Shareholders (individual/corporate/ authorised nominees/exempt authorised nominees) are to participate remotely at the Sixth AGM using RPEV facilities from ConveneAGM Meeting Platform.

Kindly refer to Procedures for RPEV facilities as set out below for the requirements and procedures.

PROCEDURES FOR RPEV FACILITIES

Shareholders who wish to participate at the Sixth AGM are required to register at ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024> from **Friday, 26 April 2024** until the day of the Sixth AGM on **Wednesday, 19 June 2024**. Shareholders are encouraged to register at least 48 hours before the commencement of the Sixth AGM to allow Alcom Group Berhad to verify the shareholder status and to avoid any delay in registration.

Kindly read and follow the procedures below for registration at ConveneAGM Meeting Platform. Alternatively, you may refer to the AGM User Guide at <https://cdn.azeusconvene.com/wp-content/uploads/brochures/Getting-Started-with-ConveneAGM.pdf>:

ADMINISTRATIVE DETAILS FOR THE SIXTH ANNUAL GENERAL MEETING

BEFORE THE DAY OF THE SIXTH AGM	
Procedures	Action
(a) Registration for Shareholders and/or Corporate Representatives	<ul style="list-style-type: none"> Go to https://conveneagm.my/alcomagm2024. Select “Register as Shareholder”. Fill out the form with the required information and click to “Submit Registration”. A confirmation will be displayed after a successful registration. Check your registered email. Open the email from AGM@Convene (agmaccounts@conveneagm.com). Select “Verify Your Email”. After the email verification, you will be redirected to create your own personalised password. Upon system verification against the Record of Depositors as at 11 June 2024, you will receive email from AGM@Convene indicating that your registration is approved or rejected. <p><i>Please note that the corporate shareholders who require their corporate representative to participate and vote at the Sixth AGM must deposit their certificate of appointment of corporate representative to KPMG MRC not later than Monday, 17 June 2024 at 10.00 a.m.</i></p>
(b) Registration for Proxyholders	<ul style="list-style-type: none"> As Proxy, you will receive an email from AGM@Convene (agmaccounts@conveneagm.com) once you are appointed by your shareholder. Open the email from AGM@Convene (agmaccounts@conveneagm.com). Select “Verify Your Email”. After the email verification, you will be redirected to create your own personalised password. <p><i>Please note that in the event the shareholder who appointed you cannot be authenticated against the Record of Depositors as at 11 June 2024, your registration will not be valid.</i></p>
ON THE DAY OF THE SIXTH AGM	
Participation by Shareholders, Proxies and/or Corporate Representatives during AGM	<ul style="list-style-type: none"> Login to https://conveneagm.my/alcomagm2024 Click to start live webcast. Proceed to ask question and/or vote when permissible.

APPOINTMENT OF PROXY

If you are unable to participate at the Sixth AGM, you are encouraged to appoint a proxy or the Chairman of the meeting as your proxy and indicate the voting instruction in the Proxy Form.

If you wish to participate in the Sixth AGM yourself, please do not submit any Proxy Form for the Sixth AGM. You will not be allowed to participate in the Sixth AGM together with a proxy appointed by you.

Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the Sixth AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 17 June 2024 at 10.00 a.m.:**

(i) In hard copy:

Must be deposited at the office of our Administration and Polling Agent, KPMG Management & Risk Consulting Sdn Bhd at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

ADMINISTRATIVE DETAILS FOR THE SIXTH ANNUAL GENERAL MEETING

APPOINTMENT OF PROXY (CONTINUED)

(ii) By electronic means:

The proxy form can also be lodged electronically through ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024> or email to support_conveneagm@kpmg.com.my. The steps to submit via ConveneAGM Meeting Platform are summarised below:

- Go to <https://conveneagm.my/alcomagm2024>.
- Select “**Register as Shareholder**”.
- Fill out the form with the required information and select “**Submit Registration**”.
- A confirmation will be displayed after a successful registration.
- Check your registered email.
- Open the email from AGM@Convene (agmaccounts@conveneagm.com).
- Select “**Verify Your Email**”.
- After the email verification, you will be redirected to create your own personalised password.
- Sign in to <https://conveneagm.my/alcomagm2024>.
- Select “**Fill Out Proxy Form**”.

If you have submitted your Proxy Form prior to the meeting, and subsequently decide to participate at the Sixth AGM yourself, please write in to support_conveneagm@kpmg.com.my to revoke the appointment of your proxy(ies) at least 48 hours before the Sixth AGM.

Alternatively, you may register for RPEV facilities or appoint another proxy. In such an event, your earlier appointment of proxy shall be revoked. Please advise your proxy accordingly. Follow the steps listed in Procedures for RPEV facilities to register and/or withdraw Proxy Form.

VOTING PROCEDURE

The voting procedure will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Alcom Group Berhad has appointed KPMG MRC as Poll Administrator to conduct the poll by way of electronic voting (“**e-voting**”). Independent Scrutineers will be appointed to verify and validate the poll results.

During the Sixth AGM, the Chairman of the meeting will invite the Poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

For the purposes of the virtual AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the meeting whether the resolutions put to vote were successfully carried or not.

NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the Sixth AGM since the meeting is being conducted on a virtual basis.



ADMINISTRATIVE DETAILS FOR THE SIXTH ANNUAL GENERAL MEETING

SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The shareholders may submit questions to Alcom Group Berhad in advance via ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024> . The Board of Directors will endeavour to answer the questions received at the Sixth AGM.

For submission of questions during the Sixth AGM, authenticated shareholders, proxies and corporate representatives may submit questions by clicking the “Ask a Question” feature and then input the queries in the text box.

ENQUIRIES

Should you require any assistance on the RPEV facilities, kindly contact KPMG MRC, details as follows:

- (a) For matters relating to proxy processing and eligibility to participate at the Sixth AGM during office hours on Mondays to Fridays (except on public holidays) from 8:30 a.m. to 5:30 p.m.

Email : support_conveneAGM@kpmg.com.my
Telephone No. : 603-7721 7329/ 7954/ 7780

- (b) For ConveneAGM Meeting Platform Technical Support (available 24/7)

Toll Free No : 1 800 817 240
Email : support@conveneagm.com
Live Chat : Click on the chat icon at the bottom right side of <https://conveneagm.my/alcomagm2024>

Notes: (continued)

- (iv) Members are to attend, ask questions to the Board of Directors via real time submission of typed texts and vote remotely (collectively, "participate") at the Sixth AGM of the Company via the Remote Participation and Electronic Voting facilities ("RPEV") provided by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") via its ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024>. Please follow the Procedures for RPEV in the Administrative Details for the Sixth AGM.
- (v) A member of the Company entitled to participate at the Sixth AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to participate in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.
- (vi) Where a member of the Company is an Authorised Nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to participate at the Sixth AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("Omnibus Account"), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.
- (vii) If an instrument appointing a proxy is submitted in hard copy, it shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or signed by 2 authorised officers or its attorney duly authorised in writing. Any alteration to the instrument appointing a proxy must be initialled.
- (viii) The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by KPMG MRC, not less than 48 hours before the time appointed for holding the Sixth AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.
- (ix) In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of our Administration and Polling Agent, KPMG MRC at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
- (x) In the case of appointment by electronic form, the Proxy Form must be electronically lodged with KPMG MRC via its ConveneAGM Meeting Platform at <https://conveneagm.my/alcomagm2024> or via email to support_conveneagm@kpmg.com.my. Please refer to the Administrative Details for the Sixth AGM on the procedures for electronic lodgement of Proxy Form via ConveneAGM Meeting Platform.
- (xi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions will be put to the vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.
- (xii) By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of the Sixth AGM of the Company dated 26 April 2024.

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AFFIX
STAMP

The Administration and Polling Agent
KPMG MANAGEMENT & RISK CONSULTING SDN. BHD.
Registration No. 198601000916 (150059-H)
Concourse, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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Fold This Flap For Sealing

ALCOM GROUP BERHAD

201701047083 (1261259-V)

No. 3, Persiaran Waja, Bukit Raja Industrial Estate
41050 Klang, Selangor Darul Ehsan, Malaysia

Tel: 03-3346 6262 | **Fax:** 03-3341 2793

www.alcom.com.my