ALCOM GROUP BERHAD (201701047083(1261259-V))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2026

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Comprehensive Income for the 2nd Quarter ended 30 June 2026 (Unaudited)

	Quarter ended 30 June 2026	Quarter ended 30 June 2025	6 months ended 30 June 2026	6 months ended 30 June 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	143,093	142,197	283,175	315,283
Expenses excluding tax	(153,268)	(151,471)	(306,452)	(325,317)
Other operating income	463	839	868	1,615
(Loss)/profit before tax	(9,712)	(8,435)	(22,409)	(8,419)
Taxation	1,090	(1,093)	2,740	(1,293)
Net loss	(8,622)	(9,528)	(19,669)	(9,712)
Other comprehensive (expense)/income, net of tax :				
Item that will not be classified subsequently to profit or loss				
Actuarial loss on gratuity scheme	-	-	-	-
Cash flow hedge	94	999	(1,311)	2,609
Taxation relating to component of other comprehensive (income)/expense	(23)	(240)	315	(626)
Other comprehensive (expense)/income, net of tax	71	759	(996)	1,983
Total comprehensive (expense)/income	(8,551)	(8,769)	(20,665)	(7,729)
(Loss)/profit attributable to:				
- Owners of the Company	(8,648)	(9,957)	(19,788)	(10,286)
- Non-Controlling Interests	26	429	119	574
	(8,622)	(9,528)	(19,669)	(9,712)
Total comprehensive (expense)/income attributable to:				
- Owners of the Company	(8,577)	(9,198)	(20,784)	(8,303)
- Non-Controlling Interests	26	429	119	574
	(8,551)	(8,769)	(20,665)	(7,729)
Basic loss per ordinary share (sen)	(6.44)	(7.41)	(14.73)	(7.66)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Financial Position as at 30 June 2026 (Unaudited)

	UNAUDITED As At 30 June 2026 RM'000	AUDITED As At 31 December 2025 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	538,752	448,513
Right-of-use assets	16,303	15,504
Intangible assets	3,230	3,377
Deferred tax assets	28,288	24,134
	586,573	491,528
CURRENT ASSETS		
Inventories	317,509	223,106
Contract assets	-	3,607
Contract costs	142	-
Trade receivables	34,492	46,920
Other receivables and prepayments	5,963	12,050
Tax recoverable	3,381	3,346
Derivative financial instruments	121	-
Cash and bank balances	116,404	75,448
Other financial assets	5,145	3,382
	483,157	367,859
TOTAL ASSETS	1,069,730	859,387
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	64,612	85,396
Equity attributable to owners of the Company	169,390	190,174
Non-controlling interests	973	854
TOTAL EQUITY	170,363	191,028
NON-CURRENT LIABILITIES		
Loans and borrowings	460,561	320,857
Provision for gratuity scheme	3,328	3,182
Lease liabilities	2,692	1,332
Deferred tax liabilities	199	-
	466,780	325,371
CURRENT LIABILITIES		
Loans and borrowings	296,528	246,135
Lease liabilities	2,006	2,391
Provision for gratuity scheme	253	720
Trade payables	113,218	74,409
Other payables and accruals	14,203	15,476
Contract liabilities	5,760	1,931
Derivative financial instruments	-	770
Provision for taxation	619	1,156
	432,587	342,988
TOTAL LIABILITIES	899,367	668,359
TOTAL EQUITY AND LIABILITIES	1,069,730	859,387

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Changes In Equity for the 2nd quarter ended 30 June 2026 (Unaudited)

	← Attributable to Owners of the Company →				
	Non-Distributable	Distributable			
	Share capital RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2026	104,778	85,396	190,174	854	191,028
Total comprehensive expense:					
Loss for the period	-	(19,788)	(19,788)	119	(19,669)
Cash flow hedge	-	(996)	(996)	-	(996)
Actuarial loss on gratuity scheme, net of tax	-	-	-	-	-
Total comprehensive expense for the period	-	(20,784)	(20,784)	119	(20,665)
Balance as at 30 June 2026	104,778	64,612	169,390	973	170,363
Balance as at 1 January 2025	104,778	127,124	231,902	(84)	231,818
Total comprehensive expense:					
Loss for the period	-	(10,286)	(10,286)	574	(9,712)
Cash flow hedge		1,983	1,983	-	1,983
Total comprehensive expense for the period	-	(8,303)	(8,303)	574	(7,729)
Balance as at 30 June 2025	104,778	118,821	223,599	490	224,089

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Cash Flows for the 2nd quarter ended 30 June 2026 (Unaudited)

	6 months ended 30 June 2026	6 months ended 30 June 2025
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(22,409)	(8,419)
Adjustments for:-		
(Reversal of)/allowance for inventory write-down	(1,142)	2,129
Amortisation of intangible assets	176	163
Depreciation of:		
- Property, plant and equipment	6,527	5,314
- Right-of-use assets	1,737	1,165
Gain on disposal of property, plant and equipment	(9)	(64)
Interest expenses	6,969	6,354
Interest expenses on lease liabilites	128	75
Interest income	(651)	(1,391)
Net fair value (gain)/loss on forward foreign exchange contracts	(236)	127
Property, plant and equipment written off	2	-
Provision for gratuity scheme	146	137
Net loss on impairment of financial assets	-	575
Unrealised forex loss	53	1,109
	(8,709)	**7,274**
Changes in Working Capital:-		
Inventories	(93,261)	(16,415)
Receivables and deposits	22,397	(5,172)
Payables	31,918	(222)
Contract assets	3,607	2,420
Contract costs	(142)	101
Contract liabilities	3,830	4,983
Other financial assets	(1,762)	-
Cash (used in)/generated from operations	**(42,122)**	**(7,031)**
Gratuity paid	(126)	(87)
Interest paid	(707)	(92)
Tax paid	(1,585)	118
Net cash used in operating activities	**(44,540)**	**(7,092)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- Property, plant and equipment	(96,768)	(91,672)
- Intangible assets	(29)	(81)
Proceeds from disposal of:		
- Property, plant and equipment	9	64
Change in deposits pledged	-	4,258
Interest income received	651	1,391
Net cash used in investing activities	**(96,137)**	**(86,040)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of loans and borrowings	189,586	117,214
Payment of lease liabilities	(983)	(981)
Interest paid	(6,970)	(6,354)
Net cash from financing activities	**181,633**	**109,879**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**40,956**	**16,747**
Foreign exchange differences	-	-
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	75,448	97,305
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**116,404**	**114,052**

CASH AND CASH EQUIVALENTS
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	As at 30 June 2026 RM'000	As at 30 June 2025 RM'000
Cash and bank balances		
Deposits placed with licensed banks	233	2,294
Liquid investments	13,720	35,586
Bank balances	102,451	76,883
	116,404	114,763
Less: Cash and cash equivalents held on behalf of the owners of EmHub	-	(711)
	116,404	**114,052**

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes to this interim financial statements.)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's financial statements for financial year ended 31 December 2025. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2025.

A2. Accounting policies

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2025 except for the adoption of the following accounting standards, interpretations and amendments to published standards with effect from 1 January 2026:

- Amendments to MFRS 9, *Financial Instruments and MFRS 7, Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements ─ Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

The application of the abovementioned accounting standards, interpretations and amendments do not have a material financial impact to the interim financial statements of the Group and of the Company.

At the date of authorisation of these interim financial statements, the following accounting standards, interpretations and amendments of the MFRSs 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 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

A2. Accounting policies (continued)

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 once they become effective.

A3. Audit Report of the preceding annual Financial Statements

The audit report of the Group's preceding annual Financial Statements was not subject to any qualification.

A4. Comments about Seasonal or Cyclical Factors

One of the products' category that the Group manufactures and sells is finstock (both bare fin and coated fin). These products are supplied to air conditioning manufacturers, in which the sector demand is subject to seasonal fluctuations.

A5. Unusual items affecting assets, liabilities, equity, net income, or cash flow

During the current quarter and financial period under review, there were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group.

A6. Material changes in estimates

There were no significant changes in estimates that have had a material effect on the results of the current quarter and financial period under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial period under review.

A8. Dividends paid

No dividend was paid during the current quarter and financial period under review.

A9. Segmental information

The Group which operates in Malaysia was involved in 4 segments, principally:

1) Manufacturing - manufacturing and trading of aluminium products
2) Property development - development of properties
3) Construction - property construction works and supply and installation of roofing systems
4) Investment holding

Segmental earnings before interest, tax, depreciation and amortisation ("EBITDA") for the 6-month period ended 30 June 2026 were as follows:-

	Manufacturing	Property Development	Construction	Investment Holding	Inter Segment Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment EBITDA	(4,298)	(1,584)	2,183	(1,286)	(2,537)	(7,522)
Included in the measure of segment EBITDA are:						
- Revenue from external customers	279,417	-	3,758	-	-	283,175
- Reversal of inventory write-down	1,142	-	-	-	-	1,142

A10. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment for the current quarter and financial period under review.

A11. Capital Commitments

Authorised capital expenditures for property, plant and equipment not provided for in the financial statements were as follows:

	Group 30 June 2026 RM'000
- Contracted	116,890
- Not Contracted	2,829
Total Capital Commitment	119,719

A12. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the period under review up to the date of this announcement that have not been disclosed in this quarterly financial statements.

A13. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A14. Changes in contingent liabilities or contingent assets

The contingent liabilities as at 30 June 2026 were as follows:

Unsecured contingent liabilities	**Company 30 June 2026 RM'000**
Corporate guarantee given to financial institutions in respect of banking facilities granted to subsidiaries	821,510

A15. Related party disclosures

Related party transactions for the current quarter and financial period under review in which certain Directors have direct/indirect interest were as follows:

	Group	
	Quarter ended 30 June 2026	**Year-to-date 30 June 2026**
	RM'000	**RM'000**
Sales of Finished Goods	-	-

These transactions have been entered into in the normal course of business and at arm's length basis and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group Performance

Financial review of the second quarter ended 30 June 2026 ("Q2 FY2026") compared with the corresponding quarter in Financial Year 2025 ("Q2 FY2025")

	Q2 FY2026	Q2 FY2025	
	RM'000	RM'000	Change %
Revenue	143,093	142,197	0.6
(Loss)/Profit Before Interest and Tax	(6,237)	(5,808)	-7
(Loss)/Profit Before Tax	(9,712)	(8,435)	-15

The Group's revenue for Q2 FY2026 increased by 0.6% compared to Q2 FY2025. Of the RM143.09 million revenue recorded in Q2 FY2026, approximately 99.6% was generated from the manufacturing segment while the remaining 0.4% came from its property development and construction segments. These percentages in Q2 FY2025 were 93% and 7% respectively. No external revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue of RM142.59 million in Q2 FY2026, an increase of 8% compared with RM132.29 million in Q2 FY2025. The increase was mainly attributable to higher base metal prices and shipment volume. The base metal price, which is denominated in USD and comprises aluminum prices quoted on the London Metal Exchange and transport premium, was 28% higher in Q2 FY2026 compared with Q2 FY2025. Shipment volume also increased by approximately 3%, mainly driven by exports of coated fin products to the Asian market.

No revenue was recorded by the property development segment in Q2 FY2026 compared with RM4.29 million in Q2 FY2025. The decrease was attributable to the maiden EmHub project having fully sold its remaining inventory in Q2 FY2025. The upcoming mixed development project at Bandar Baru Klang is currently undergoing the relevant authority approval processes and is expected to be launched upon obtaining the necessary approvals.

Meanwhile, the construction segment's external revenue registered a decrease from RM7.41 million in Q2 FY2025 to RM1.45 million in Q2 FY2026, mainly due to lower progress billings from its roofing and cladding projects following the successful completion of several projects.

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B1. Review of Group Performance (continued)

Financial review of the second quarter ended 30 June 2026 ("Q2 FY2026") compared with the corresponding quarter in Financial Year 2025 ("Q2 FY2025") (continued)

The Group registered a loss before tax of RM9.71 million in Q2 FY2026 as compared to Q2 FY2025's loss before tax of RM8.44 million. The segmental breakdown was as follows:

	Q2 FY2026	Q2 FY2025	Change %
	RM'000	RM'000	
Manufacturing Segment	(7,725)	(7,948)	3
Property Development Segment	(571)	(854)	33
Construction Segment	506	6,752	-93
Investment Holding Segment	(918)	(467)	-97
Inter-Segment Elimination	(1,004)	(5,918)	83
Group Total	(9,712)	(8,435)	-15

The manufacturing segment registered a loss before tax of RM7.73 million in Q2 FY2026, compared with a loss before tax of RM7.95 million in Q2 FY2025. This lower loss was mainly attributable to higher revenue from increased sales volume, coupled with higher contribution arising from a more favourable product mix with higher-margin products in Q2 FY2026.

The property development segment recorded a loss before tax of RM0.57 million in Q2 FY2026, compared with a loss before tax of RM0.85 million in Q2 FY2025. The lower loss was mainly due to lower administrative and marketing expenses incurred in Q2 FY2026.

For the construction segment, profit before tax decreased to RM0.51 million in Q2 FY2026 from RM6.75 million in Q2 FY2025. The decrease was mainly attributable to the Group's internal manufacturing facility expansion project nearing completion during the quarter, resulting in lower construction activities and revenue recognised.

B2. Financial review of the second quarter ended 30 June 2026 ("Q2 FY2026") compared with the immediate preceding quarter ended 31 March 2026 ("Q1 FY2026")

	Q2 FY2026	Q1 FY2026	Change %
	RM'000	RM'000	
Revenue	143,093	140,082	2
(Loss)/Profit Before Interest and Tax	(6,237)	(9,728)	36
(Loss)/Profit Before Tax	(9,712)	(12,698)	24

The Group recorded a revenue of RM143.09 million in Q2 FY2026 which was higher by 2% as compared to the revenue of RM140.08 million registered in Q1 FY2026. This increase was largely attributable to the manufacturing segment. No external revenue was recorded in the investment holding segment in both these quarters.

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B2. Financial review of the second quarter ended 30 June 2026 ("Q2 FY2026") compared with the immediate preceding quarter ended 31 March 2026 ("Q1 FY2026") (continued)

The manufacturing segment registered a revenue of RM142.59 million in Q2 FY2026, representing an increase of 3% compared with RM137.92 million in Q1 FY2026. The increase was mainly attributable to higher base metal prices, which rose by 16% in Q2 FY2026 versus Q1 FY2026. In addition, the strengthening of USD against the Ringgit Malaysia by approximately 0.6% during the quarter also contributed to the increase in revenue.

No revenue was recorded by the property development segment in both Q2 FY2026 and Q1 FY2026. This was attributable to the maiden EmHub project having fully sold its remaining inventories in Q2 FY2025, driven by strong market demand.

For the construction segment, external revenue decreased to RM1.45 million in Q2 FY2026 from RM2.31 million in Q1 FY2026, mainly due to lower progress billings from its roofing and cladding projects following the successful completion of several projects.

The Group registered a loss before tax of RM9.71 million in Q2 FY2026, compared to a loss before tax of RM12.70 million in Q1 FY2026. The segmental breakdown as follows:

	Q2 FY2026	**Q1 FY2026**	Change %
	RM'000	**RM'000**	
Manufacturing Segment	(7,725)	(11,389)	32
Property Development Segment	(571)	(985)	42
Construction Segment	506	1,554	-67
Investment Holding Segment	(918)	(345)	-166
Inter-Segment Elimination	(1,004)	(1,533)	35
Group Total	(9,712)	(12,698)	24

The manufacturing segment registered a loss before tax of RM7.73 million in Q2 FY2026, compared with a loss before tax of RM11.39 million in Q1 FY2026. The lower loss was mainly attributable to the strengthening of USD against the Ringgit Malaysia by approximately 0.6% during the quarter, coupled with a higher-margin product mix and improved cost control in Q2 FY2026.

The property development segment recorded a loss before tax of RM0.57 million in Q2 FY2026, compared with a loss before tax of RM0.99 million Q1 FY2026. The lower loss was mainly due to reduced administrative and marketing expenses incurred in Q2 FY2026.

For the construction segment, profit before tax decreased to RM0.51 million in Q2 FY2026 from RM1.55 million in Q1 FY2026. The decrease was mainly attributable to the Group's internal manufacturing facility expansion project nearing completion during the quarter, resulting in lower construction activities and revenue recognised.

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B3. Financial review of Year-To-Date ended 30 June 2026 ("YTD FY2026) versus Year-To-Date ended 30 June 2025 ("YTD FY2025")

	YTD FY2026	YTD FY2025	Change
	RM'000	RM'000	%
Revenue	283,175	315,283	-10
(Loss)/Profit Before Interest and Tax	(15,963)	(3,381)	-372
(Loss)/Profit Before Tax	(22,409)	(8,419)	-166

The Group's revenue for YTD FY2026 decreased by RM32.11 million, or 10%, to RM283.18 million compared with YTD FY2025. Of the RM283.18 million in revenue, RM280.51 million was contributed by the manufacturing segment, while the remaining RM2.67 million of external revenue was generated from the construction segment. No revenue was recorded by the investment holding segment.

The manufacturing segment recorded a revenue of RM280.51 million in YTD FY2026, a decrease of RM21.59 million from RM302.10 million in YTD FY2025. The decline was mainly attributable to a 5% decrease in shipment volume, primarily due to lower shipments of bare fin and roofing products. In addition, the weakening of USD against Ringgit Malaysia by approximately 9% in YTD FY2026 compared with YTD FY2025 also contributed to the decrease in revenue.

No revenue was recorded by the property development segment in YTD FY2026 compared with RM4.29 million in YTD FY2025. The decrease was attributable to the maiden EmHub project having fully sold its remaining inventory in Q2 FY2025. The property development segment will now focus on leveraging its expertise in the upcoming mixed development project in Bandar Baru Klang.

The construction segment posted external revenue of RM3.76 million in YTD FY2026, compared with RM10.97 million in YTD FY2025. The decrease was mainly due to lower progress billings from its roofing and cladding projects following the successful completion of several projects.

The Group registered a loss before tax of RM22.41 million for YTD FY2026 compared with a loss before tax of RM8.42 million in YTD FY2025. The segmental breakdown was as follows:-

	YTD FY2026	YTD FY2025	Change
	RM'000	RM'000	%
Manufacturing Segment	(19,114)	(6,786)	-182
Property Development Segment	(1,555)	(1,492)	-4
Construction Segment	2,060	8,451	-76
Investment Holding Segment	(1,263)	(824)	-53
Inter Segment Elimination	(2,537)	(7,768)	67
Group Total	(22,409)	(8,419)	-166

B3. Financial review of Year-To-Date ended 30 June 2026 ("YTD FY2026) versus Year-To-Date ended 30 June 2025 ("YTD FY2025") (continued)

The manufacturing segment recorded a loss before tax of RM19.11 million in YTD FY2026, compared with a loss before tax of RM6.79 million in YTD FY2025. The increase in losses was mainly attributable to lower revenue arising from decreased sales volume, coupled with the weakening of the USD against the Ringgit Malaysia by approximately 9% in YTD FY2026 compared to YTD FY2025.

The property development segment registered a loss before tax of RM1.56 million in YTD FY2026 versus a loss before tax of RM1.49 million in YTD FY2025. The slightly higher loss was primarily due to higher administrative and marketing expenses incurred in preparation for the launch of the upcoming mixed development project in Bandar Baru Klang.

Meanwhile, the construction segment recorded a profit before tax of RM2.06 million in YTD FY2026, compared with a profit before tax of RM8.45 million in YTD FY2025. The decrease was largely attributable to the Group's internal manufacturing facility expansion project nearing completion, resulting in lower construction activities and revenue recognized during the period.

B4. Commentary on Prospects

According to the International Monetary Fund (IMF) in its July 2026 World Economic Outlook, global economic growth is projected at 3.0% in 2026, before strengthening to 3.4% in 2027. The outlook remains uneven, with continued geopolitical tensions and energy market uncertainties weighing on global economic activity. At the same time, stronger investment and demand arising from the global technology cycle, particularly advances in artificial intelligence (AI), are expected to provide support to growth. Risks to the outlook remain tilted to the downside, particularly from renewed geopolitical conflicts, commodity price volatility, trade fragmentation and financial market uncertainties.

As an export-driven manufacturing Group, fluctuations in foreign exchange rates, particularly movements in the USD against the MYR, will continue to influence the Group's revenue and profitability. The Group remains mindful of potential market volatility arising from geopolitical tensions, fluctuations in energy and commodity prices, evolving trade policies and uncertainties in global demand.

The Group will continue to focus on diversifying into new markets and expanding its product portfolio to mitigate these risks and support sustainable growth. With the Group's manufacturing facility expansion project scheduled for completion and commercialisation by the end of 2026, productivity and operational efficiency are expected to improve significantly, thereby enhancing competitiveness, profitability and long-term sustainability. At the same time, the Group remains committed to implementing disciplined cost-control measures to maintain cost efficiency and strengthen resilience amid the evolving global economic and business environment.

For the property development segment, the Malaysian economy is projected to grow by 4.7% in 2026, supported by resilient domestic demand, data centre-related activities and the upturn in the global technology cycle. Malaysia's property market is expected to record steady and moderate growth in 2026, supported by underlying demand for well-located properties in established areas. However, heightened global uncertainties, particularly those arising from geopolitical tensions in the Middle East, have introduced additional challenges to the operating environment. Rising oil prices resulting from these tensions have contributed to higher transportation, material production and machinery operating costs, placing upward pressure on overall development costs. Despite these headwinds, the property development segment remains cautiously optimistic about its prospects for 2026.

B4. Commentary on Prospects (continued)

As previously reported, the Building Plan application for the proposed mixed-development project on Lot 117427 in Bukit Raja, Klang has been submitted, with approval from the local council remaining pending. The property development segment continues to engage with the relevant authorities to facilitate the approval process. The property development segment is also pleased to note that the LRT3 Shah Alam Line commenced public operations on 29 June 2026. The 37.8-kilometer transit line connects Bandar Utama to Johan Setia and serves 20 active stations. The nearby Bandar Baru Klang LRT station is expected to enhance accessibility to the proposed development and improve the attractiveness and rental prospects of surrounding properties. This infrastructure milestone further reinforces the long-term strategic value of the Group's Bukit Raja landbank and is expected to stimulate greater interest in property investment within the Klang region.

The property development segment will continue to closely monitor the evolving operating environment, including geopolitical developments and their potential impact on material and construction costs. In parallel, the property development segment remains committed to delivering competitive, well-designed and differentiated property products that respond to evolving market needs. This commitment, together with the strategic development of its landbank and enhanced connectivity arising from ongoing infrastructure improvements, is expected to support sustainable growth and profitability over the medium to long term.

B5. Variance of Actual Profit from Forecast Profit

Not applicable.

B6. Profit for the Current Quarter under Review

The loss is arrived at after charging/(crediting):

	Second Quarter ended 30 June 2026 RM'000	**Year-to-date 30 June 2026 RM'000**
Interest income	(379)	(651)
Interest expense	3,786	6,969
Interest expense on lease liabilities	67	128
Amortisation of intangible assets	88	176
Allowance/(reversal of allowance) for inventory write-down	361	(1,142)
Depreciation of:		
- Property, plant and equipment	3,390	6,527
- Right-of-use assets	880	1,737
Foreign exchange loss/(gain):		
- Realised	1,167	4,492
- Unrealised	919	53
Net fair value gain on derivatives	(1,508)	(236)
Gain on disposal of property, plant and equipment	-	(9)
Property, plant and equipment written off	-	2

B7. Taxation

	Second Quarter ended		Year-to-date	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	RM'000	RM'000	RM'000	RM'000
Current Tax - current year	(367)	(2,045)	(877)	(2,444)
Deferred Taxation - Origination and reversal of temporary differences	1,457	952	3,617	1,151
	1,090	(1,093)	2,740	(1,293)

The taxation for the current quarter under review mainly comprised deferred tax assets recognised arising from unutilised tax losses and temporary differences.

B8. Status of Corporate Proposals

There was no corporate exercise proposal announced that has not been completed as at the date of this announcement.

B9. Group Borrowings

The Group's borrowings as at 30 June 2026 were as follows:

	Long-Term RM'000	Short-Term RM'000	Total RM'000
Secured			
-Term Loans	455,978	7,001	462,979
-Finance lease liabilities	239	126	365
-Revolving credit	4,344	110,000	114,344
-Trade lines	-	178,696	178,696
Unsecured			
- Corporate credit card facility from a financial institution	-	705	705
	460,561	296,528	757,089

B10. Derivative Financial Instruments

As at 30 June 2026, total contract value and fair value of the Group's outstanding forward foreign exchange contracts stood as follows:

Types of Derivatives (Foreign Exchange Contracts)	Contract/Notional Value RM'000	Fair Value RM'000
Less than 1 year		
- Payable	34,576	34,697
- Receivable	-	-

B11. Changes in Material Litigation

Not applicable.

B12. Dividends

There was no dividend declared in respect of the current period under review and the corresponding period in the preceding year.

B13. Earnings Per Share

	Second Quarter ended 30 June 2026	Second Quarter ended 30 June 2025	Year-to-date 30 June 2026	Year-to-date 30 June 2025
Net loss attributable to owners of the Company (RM'000)	(8,648)	(9,957)	(19,788)	(10,286)
Weighted average number of ordinary shares in issue ('000)	134,331	134,331	134,331	134,331
Basic loss per share (sen)	(6.44)	(7.41)	(14.73)	(7.66)

B14. Authorisation of Issue

The interim financial statements were authorised for issue by the Board of Directors of AGB in accordance with a resolution of the Directors passed on 28 August 2026.

BY ORDER OF THE BOARD
28 August 2026