Appendix A

LUXCHEM CORPORATION BERHAD
REGISTRATION NO. 199101014102 (224414-D)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTY-FOURTH ANNUAL GENERAL MEETING ("34TH AGM") OF THE COMPANY HELD AT BANYAN, CASUARINA, DILLENIA & EUGENIA ROOM, KLGCC CONVENTION CENTRE (FORMERLY KNOWN AS SIME DARBY CONVENTION CENTRE), 1A, JALAN BUKIT KIARA 1, BUKIT KIARA, 60000 KUALA LUMPUR, MALAYSIA, ON THURSDAY, 21 MAY 2026 AT 10.00 A.M.

Mr C, a shareholder, raised the following questions:

1. (a) What is the Board of Director's expectation on the prospect of the Group in FY 2026? What is the Group's next revenue growth engine and what is the focus/highlight of the Group in FY2026?

Reply: Ms Chong Ching San, Senior Finance Manager

We remain optimistic about our prospects for FY2026. In the first quarter of FY2026, we maintained our sales volume at FY2025 levels. We achieved higher profits compared to immediate preceding quarter and also the corresponding quarter of the previous year.

We will continue to focus on enhancing the Group's profitability through product innovation, specialisation and the delivery of value-added solutions. In addition, we are pursuing strategic expansion into targeted countries, while broadening our customer base and industry coverage to strengthen our market presence and competitiveness.

In respect of our portfolio diversification strategy, we have undertaken land acquisitions during FY2026. Luxchem Trading Sdn. Bhd. acquired lands located at North Port, while Lexis Chemical Sdn. Bhd. acquired lands from Sime Darby located at Bandar Bukit Raja Industrial Park. These initiatives are expected to contribute positively to the Group's long-term growth and overall performance.

Reply: Mr Tang Ying See, the Managing Director/Chief Executive Officer

Despite the prevailing uncertainties in the current financial year, the Group remains confident in sustaining its performance. With effective management, we believe the Company is well positioned to deliver stronger performance than last year.

1. (b) What is the roadmap of the Group to chart the next phase of growth in 3-5 years to come?

Reply: Ms Chong Ching San, Senior Finance Manager

We remain clear on the Group's strategic direction despite the absence of an official roadmap at this stage. Our focus will be on product development through continuous research and development, as well as expanding into new export markets. In addition, we aim to enhance operational efficiency by leveraging technology and automation. We will also continue to uphold financial position by maintaining a healthy balance sheet and strong cash flow to support sustainable growth.

1. (c) What initiative/efforts would be made by the Group in order to achieve the goals in the roadmap?

Reply: Ms Chong Ching San, Senior Finance Manager

We will continue to strengthen our research and development efforts to drive product innovation and support long-term growth. In addition, we aim to broaden the applications of our existing products across other industrial sectors, while continuously widening our product lines to meet evolving market demands.

The Group will also maintain close collaboration with both customers and suppliers to enhance new business opportunities and strengthen strategic partnerships. Furthermore, we will continue participating in relevant local and overseas trade fairs to identify potential new suppliers, customers, and business opportunities.

1. (d) How does the Group position itself in the supply chain to move up the value chain?

Reply: Ms Chong Ching San, Senior Finance Manager

We will continue to provide a broader range of products to our customers, as well as offering customised products tailored to customers' specific requirements. In addition, we remain committed to maintaining competitive pricing to enhance our market position.

The Group will also continue to deliver high quality service and technical support to our customers. We aim to position ourselves as a "one-stop solutions provider" to meet our customers' diverse needs.

1. (e) How does the Group maintain and improve its competency and profit margin? For example, competency may be increased by increasing the product lines, diversifying the customer base or even broadening the usage and application of current product portfolio by the Group to improve the functionality of the products through Research and Development ("R&D") activities. Please elaborate.

Reply: Mr Wong Kee Ann, Commercial Director of Luxchem Trading Sdn. Bhd.

We will continue to maintain competitive pricing by strengthening relationships with key suppliers and build up volume to achieve better cost efficiencies. At the same time, we are actively sourcing of alternative and new suppliers. In light of ongoing geopolitical uncertainties, including the Middle East crisis, we will remain vigilant in managing supply chain risks and ensuring continuity of supply.

Meanwhile, we will continue to expand our product lines and increase the sales from specialty and higher-margin products, supported by ongoing R&D initiatives. We also remain focused on growing our presence in premium markets, particularly export markets.

Furthermore, we actively monitor material price trends and make timely and appropriate business decisions. The Group will also continue to strengthen its human resources, particularly within the sales and support teams, to enhance operational effectiveness and support future growth.

2. (a) In light of the current elevated Brent oil price at USD100 level compared to early January 2026 at USD60 as the Iran-US war caused the closure of Strait of Hormuz resulting a potential 20% of daily oil supply diminished daily causing the tightening of global oil supply, and this indicates the cost of the Group in terms of direct cost such as raw material which are petroleum-derived materials and indirect cost such as spare-part machines, diesels, freight costs and followed by another wave of goods and services price are elevated also due to inflationary pressures.

My questions are:

- **What is the risk assessment of the Group on operations, supply chain, supply and demand trend/forecast and top line & bottom line.**
- **What are the outcomes & conclusion and the mitigation plans to minimise the risk incurred on the items mentioned.**

<u>Reply: Ms Chong Ching San, Senior Finance Manager</u>

The Middle East disruptions have tightened global petrochemical supply, leading to increased cost pressures and impacting inventory planning. Nevertheless, the Group has been proactive in managing the situation, having anticipated and addressed potential disruptions early on.

With our strong sourcing network, we have been able to respond swiftly and effectively to these challenges. This includes diversifying our supplier base and secured alternative sources of materials to ensure continuity of supply to our customers. Customer acceptance of these alternative sourced products has been positive, particularly in the current constrained supply environment.

Looking ahead, we anticipate further cost increases, and where necessary, these will be passed on to customers in a measured and prudent manner.

<u>Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer</u>

The Group has been actively managing these challenges since February 2026, and our performance to date has been satisfactory. Results for March and April 2026 had remained resilient and provide greater confidence in our ability to navigate the current environment.

At this juncture, we are confident in our ability to manage the current challenges. Nevertheless, uncertainties remain, and we will continue to monitor developments closely and respond proactively as situation evolves.

2. (b) Any supply chain disruption such as suppliers running out of stocks due to insufficient raw materials this year or next?

Reply: Ms Chong Ching San, Senior Finance Manager

Whilst we have encountered some supply constraints in certain key raw materials, we have managed to secure sufficient inventory to support its operations. Overall, there has been no disruption to our operations. For certain raw materials used in our manufacturing, we have secured its inventory to meet requirements up to the third quarter of FY2026.

We maintain close and continuous communication with both suppliers and customers to keep them informed of demand and supply developments. This has enabled us to plan shipments effectively, thereby minimising the risk of raw material shortages and ensuring uninterrupted supply to our customers.

2. (c) Any demand suppression such as order cancellation or deferment due to upcoming elevated Average Selling Price by the Group? Would there be any sales volume drop in FY2026 based on the current production forecast plan?

Reply: Ms Chong Ching San, Senior Finance Manager

There have been no order cancellations to date. At this juncture, we are unable to provide a definitive outlook on whether there will be any decline in sales volume for FY2026. However, based on year-to-date performance up to March 2026, the Group has been able to maintain its overall sales volume.

2. (d) What are the Risks and Opportunities the Group has identified to navigate the crisis/headwind?

Reply: Ms Chong Ching San, Senior Finance Manager

Risks
For the Manufacturing segment, any interruption in the supply of raw materials could lead to production delays. Across both the Manufacturing and Trading segments, supply shortages may result in increased costs and higher product prices. Additionally, such disruptions could affect the Group's ability to deliver goods to customers in a timely manner. Should the Group be unable to pass on cost increases to customers, profit margins may be adversely impacted.

Opportunities
These include the potential to replace competitors' products by sourcing of alternative products, as well as benefiting from higher selling prices, which may contribute to a higher margin.

As mentioned earlier, there has been no interruption to our operations and our ability to consistently meet customer demand has strengthened customer confidence in the Group.

This resilience demonstrates our commitment in maintaining operational continuity and delivering value to customers. In turn, customers are likely to appreciate our adaptability in navigating these challenging times, further reinforcing our reputation as a reliable and trusted business partner.

2. (e) What are the efforts done by Management to ensure minimal supply chain disruptions and protect the sales and margins?

<u>Reply: Ms Chong Ching San, Senior Finance Manager</u>

The Group has implemented bulk purchasing strategy to secure better pricing and ensure adequate stock availability. In view of our strong financial position, we are purchasing on cash terms, enabling immediate supply and more favourable pricing.

Given the anticipated upward price trends, we maintain higher inventory levels to mitigate the impact of supply volatility. At the same time, we are also putting efforts to diversify supply sources by identifying and securing alternative suppliers to enhance supply resilience.

In addition, we implemented proper and timely stock allocation to customers, to prevent excessive stockholding by any single customer, while ensuring all customers receive sufficient supply to meet their production requirements. We always maintain close and continuous communication with both suppliers and customers to monitor demand and supply conditions, including price trends, enabling the Group to respond promptly and make informed business decisions.

2. (f) What are the expectations/guidelines that can be provided by Management for every segment in FY2026?

<u>Reply: Ms Chong Ching San, Senior Finance Manager</u>

We anticipate that certain companies may be impacted by higher cost of sales and potential supply chain disruptions, arising from increased raw material prices, higher logistics and freight costs, and higher marine insurance premiums.

In this regard, we remain cautious in our raw material procurement and production planning. We will continue to closely monitor market conditions and regularly assess supply and demand conditions to ensure timely and informed decision-making.

In addition, we will maintain close oversight of our customers' operations and payments patterns, while maintaining close communication with both suppliers and customers.

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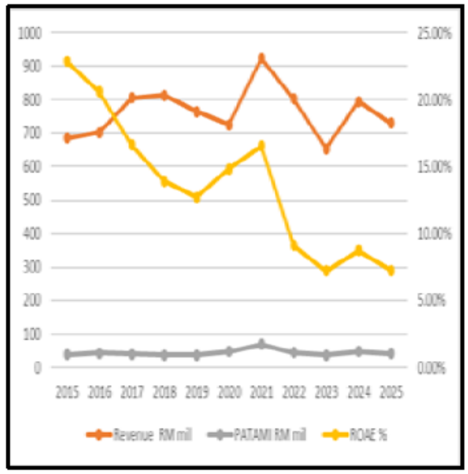
3. The group revenue seems stagnant since FY2015, hovering from RM653.527 million in FY2023 to RM924.374 million in FY2021. The registered revenue in FY2025 is RM730.757 million and the stagnancy is also translated and impacted on the bottom line and Return on Average Equity ("ROAE"), please refer to the table below, my questions are:

Extracted by Shareholder			
Financial Year	Revenue	PATAMI	ROAE
	RM mil	RM mil	%
2015	686.01	39.18	22.86%
2016	701.55	43.51	20.61%
2017	806.68	40.75	16.60%
2018	814.09	37.98	13.91%
2019	765.48	37.64	12.71%
2020	726.27	47.89	14.82%
2021	924.37	68.43	16.51%
2022	802.78	45.64	9.11%
2023	653.53	37.05	7.08%
2024	795.38	48.20	8.75%
2025	730.76	41.83	7.28%



3. (a) What are the contributing factors causing stagnancy and downtrend in the period mentioned above? How does Management view this especially when it is being noticed that the ROAE experienced a sharp decline since FY2022 after the acquisition of Lexis Chemical in FY2021 and the prolonged downcycle of glove industry since 2021?

Reply: Ms Chong Ching San, Senior Finance Manager

The decline in the ROAE since FY2022 was due to the increase in the Group's capital base. This arose from the partial financing of the Lexis acquisition through the issuance of new shares to the vendors of Lexis Chemical Sdn. Bhd., Lexis Corporation Sdn. Bhd. and Lexis Specialties Sdn. Bhd. (collectively referred to as "**LEXIS**") and a private placement exercise.

As a result of the enlarged share capital base, which increased the denominator (i.e. Average Equity, the Group's ROAE percentage declined despite LEXIS generated profits in line with our expectations.

Secondly, FY2022 was a post-pandemic year in which the global economy experienced a challenging and uneven recovery from Covid-19. This environment was characterised by slowing economic growth, rising inflation and ongoing geopolitical disruptions. The outbreak of the Russia–Ukraine war in February 2022 significantly impacted global energy and food markets, further dampening economic growth.

Geopolitical uncertainties continued in the subsequent years, including the Gaza conflict in 2023, political developments in the United States in 2024, and the imposition of tariffs by the US in 2025. As a result of these external factors, the Group experienced a decline in revenue and profit margins across all divisions.

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

The Group has operated in an environment characterised by significant uncertainties and multiple crises. Despite these challenges, we have maintained a strong balance sheet and successfully completed strategic acquisitions, while continuing to generate profits for the Group.

With the ongoing volatility, including fluctuations in the Ringgit Malaysia and external economic pressures, we have remained resilient and committed to sustain our overall performance. While some degree of stagnancy has been observed, these factors are largely beyond our control.

The domestic market has remained relatively stable, however, our international business continues to face various external challenges that have impacted performance. We seek our shareholders' understanding in this regard, as we continue to exercise prudence and take proactive measures to navigate these conditions.

At the same time, we remain focused on identifying growth opportunities and will continue exploring strategic expansion initiatives, including potential acquisitions, to strengthen the Group's long-term prospects.

3. (b) Would low ROAE become a norm, or would the trend be heading downwards in the 3-5 years to come?

Extracted by Shareholder			
Financial Year	Revenue RM mil	PATAMI RM mil	ROAE %
2015	686.01	39.18	22.86%
2016	701.55	43.51	20.61%
2017	806.68	40.75	16.60%
2018	814.09	37.98	13.91%
2019	765.48	37.64	12.71%
2020	726.27	47.89	14.82%
2021	924.37	68.43	16.51%
2022	802.78	45.64	9.11%
2023	653.53	37.05	7.08%
2024	795.38	48.20	8.75%
2025	730.76	41.83	7.28%

Reply: Ms Chong Ching San, Senior Finance Manager

From FY2022 to FY2025, the Group's Return on Equity ranged from 7.08% to 9.11%.

Given the current environment, it is challenging to predict the future trends. This is largely due to the influence of various macro-economic factors that may affect a company's performance.

Nevertheless, it is important to note that such macro-economic volatilities affect all companies operating within the same industry and environment. In response, the Group adopts a proactive approach in monitoring key economic indicators, with a strong emphasis on risk management, economic l resilience, and long-term sustainability.

3. (c) What efforts would be made in order for the Group to increase revenue in the next financial year or beyond?

<u>Reply: Ms Chong Ching San, Senior Finance Manager</u>

Please refer to Question 1(a) for cross reference.

3. (d) What is the outcome expected this year as a result of the efforts made mentioned above?

<u>Reply: Ms Chong Ching San, Senior Finance Manager</u>

The Group aims to further strengthen its overall competitiveness and enhance resilience in navigating challenging market conditions. We remain focused on sustaining profitability, expanding our customers and suppliers base, and maintaining a strong balance sheet.

4. Questions regarding expansion plans:

(a) What are the expansion plans in the pipeline in FY2026?
(b) Any product line expansion in the pipeline in FY2026 and beyond to complement the current product portfolio?
(c) Any bright spots/further expansion opportunities for the current product lines in FY2026?

<u>Reply: Ms Chong Ching San, Senior Finance Manager</u>

For the Trading segment, the Group will continue to enhance its technical support capabilities to differentiate our service offerings and strengthen long-term customer loyalty.

For the Manufacturing segment, the Group will focus on improving production efficiency and cost optimisation through disciplined cost management and yield improvement initiatives.

In addition, we will continue to build momentum in high-growth export markets to further diversify the Group's revenue base and strengthen long-term growth opportunities.

4. (d) Based on the last AGM answers, the Group has two approaches for business expansion last year such as geographical expansion into other countries such as China, Thailand, Indonesia, India, Sri Lanka, the Middle East and Africa and on the other hand the group would also focus on the enhancement of the existing product range to become one-stop solution provider for customers.

What are the key highlights/achievements to be done by the Group based on the 2 approaches since we do not see any huge leap in the top and bottom line in FY2025.

Reply: Ms Chong Ching San, Senior Finance Manager

Development efforts in these countries are ongoing, with LEXIS continuing to strengthen its presence. LEXIS has recorded increased sales to Thailand and India, reflecting growing demand and encouraging progress in these markets.

4. (e) What is the outcome expected to see in FY2026 based on the achievements done in FY2025?

Reply: Ms Chong Ching San, Senior Finance Manager

Based on our initiatives undertaken and the achievements recorded in FY2025, the Group expects sustainable revenue growth in FY2026.

4. (f) Please elaborate further the plans and what have been done in order to enhance the existing product range to become one-stop solution provider.

Reply: Ms Chong Ching San, Senior Finance Manager

We will continue to widen our product range and capture new market segments.

5. (a) Questions regarding Manufacturing Unsaturated Polyester Resin ("UPR"):

Understand that the Group's UPR segment has a wide range of industrial uses in electronics, construction and part of the elements in industrial products, does the Group has any plan to leverage on your experiences and expertise to use the current product portfolio to penetrate into other higher margin areas such as semiconductor, automotive, industrial products or pharmaceutical which has more technological barrier and thus improving the bottom line in the long run. How does the Group view that?

Reply: Ms Chong Ching San, Senior Finance Manager

We is currently supplying indirectly to the semiconductor and automotive industries by selling our ISO (Isophthalic Resin) and Vinyl ester resins to chemical tank fabricators, bus body customers and industrial lining applicators.

We will carefully evaluate any potential entry into the pharmaceutical industry given the stringent regulatory requirements and compliances standards governing this sector.

5. (b) In the annual report, the Group mentioned that in order to sustain business growth, Luxchem Polymers Industries Sdn. Bhd.'s key strategies include continuous product development to enhance value proposition and strategic expansion into new and existing overseas markets.

Please elaborate more details on what the activities / agenda in the pipeline for the key strategies.

Reply: Ms Chong Ching San, Senior Finance Manager

Continuous product innovation and new market development remain key priorities for the Group. For example, we are currently exploring opportunities to introduce car putty resins and roofing resins into the Indonesia market and SMC (sheet moulding compound) resins into Korea.

In addition, we work closely and strategically with Sino Polymer Co., Ltd, a leading Chinese company specialising in vinyl ester resins. With their strong technical expertise, we are well-positioned to further expand our presence in international markets.

6. (a) Questions regarding Lexis Chemical Sdn. Bhd. ("Lexis Chemical") recorded a utilisation rate of 62% in FY2025 and this is improved from the 58% recorded in FY2024. However, there is much idle capacity to be filled.

Understand that Lexis Chemical is a specialty and R&D oriented company and it always works as a solution partner to glove manufacturers to develop value-added and cost-effective products tailored to their specific needs. Please elaborate with several examples what products have been made and what have been addressed through the products.

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

We have introduced new and improved versions of polymer products. This includes new improved polymer coating specifically designed for examination and surgical applications with better donning and powder-free coagulant with better stripping properties.

6. (b) What are the key highlights/achievements that have been done so far especially in FY2025? Please elaborate on key improvement areas with numbers.

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

In FY2025, we placed strong emphasis on talent development to support long-term growth. We increased our headcount across key functions, including laboratory, warehouse, and production teams, to position ourselves for rising demand and to further strengthen our technical capabilities in addressing future operational challenges.

6. (c) What are the outcomes expected to see in FY2026 with the R&D activities and achievements done in FY2025 in place? Please elaborate on key improvement areas with numbers.

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

In FY2025, we made significant efforts in development, particularly by strengthening our R&D activities and investing in talent. These initiatives have laid a solid foundation to support better performance in FY2026.

6. (d) The Group is regarded as an industrial product supplier majoring to the glove industry which has been experiencing a prolonged downcycle since the Covid-19 pandemic and this is believed to affect the valuation.

Are the Group going to diversify its product base based on the current portfolio to other high growing areas as mentioned in question 5(a)? If yes, please elaborate on what would be done in order to achieve that.

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

The Group remains committed to continuously widening and diversifying its product portfolio. We are confident that upon identifying the right opportunities, we will be well positioned to execute promptly and effectively.

6. (e) Based on the last AGM answer, Lexis Chemical would prioritise market expansion in China, Thailand, India and Vietnam to increase the production utilisation rate. What are the key highlights / achievements on the markets in FY2025?

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

In FY2025, the Group recorded a decline in sales to China. However, we expect a higher revenue contribution from China in FY2026.

On the other hand, we recorded strong growth in Thailand, India and Vietnam, with sales increasing by 100% in FY2025. This reflects successful market expansion efforts and we expect this positive momentum to continue in the coming years.

6. (f) What marketing activities have been identified and executed by Management to expand the market size in both the local and overseas markets in FY2026? What are the expected outcomes based on the activities mentioned in place in FY2026?

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

The Group successfully established a representative office in Thailand, driving significant growth in FY2025, and plans to further strengthen its market presence through local advertising initiatives, active participation in Malaysian Rubber Gloves Manufacturers

Association (MARGMA) to expand industry networks and showcase innovations, as well as revamping its corporate website and leveraging AI tools for search engine optimisation to strengthen brand visibility and reach a wider audience.

7. (a) Understand that Lexis Guangzhou was operating from Q3 FY2025, what is the key progress that has been achieved by the subsidiary in China so far?

Reply: Ms Chong Ching San, Senior Finance Manager

We expect to achieve higher sales compared to FY2025.

7. (b) What efforts will be done by the subsidiary in order to expand the market presence in China?

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

We are planning to rent an additional new third-party warehouse closer to our customers to reduce logistics overheads, while also participating in key industry exhibitions and undertaking targeted advertising in local trade magazines to further enhance brand visibility and market presence.

7. (c) What are the expectations/guidelines that can be provided by Management?

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

Consistent growth in domestic China sales, reflecting our successful efforts to capture more local market share.

8. (a) References are made to the recent acquisitions that have been announced by the Group through Bursa Malaysia Securities Berhad in 2025, which involve:

- **In July 2025, Luxchem Trading Sdn Bhd acquired five leasehold industrial plots in Mukim Kapar, Klang, for RM45.59 million in cash.**
- **This acquisition includes a nine-year tenancy agreement generating an annual rental income of RM2.3 million.**

What are the intentions of the Group on the acquisition? What are the short-term and long-term plans of the Group on the acquisition?

Reply: Ms Chong Ching San, Senior Finance Manager

Luxchem Trading Sdn. Bhd. acquired five (5) pieces of leasehold industrial lands located at Mukim Kapar, Daerah Klang, Negeri Selangor, with lease tenure expiring on 28 March 2095. The proposed acquisition is in line with the Group's business expansion strategy and disciplined capital allocation framework. It represents a strategic initiative to diversify the Group's asset base while optimising the utilisation of surplus cash reserves.

Rather than maintaining excess funds in fixed deposits with modest returns, the Group is investing in real estate assets that offer higher long-term yield potential through capital appreciation, future development prospects, and immediate rental income.

The lands are subject to a three (3) year tenancy agreement with the option to renew and to increase 10% rental every three (3) years up to nine (9) years and shall generate an annual rental income of approximately RM2.3 million, which will accordingly provide the Group with a stable and recurring rental income stream upon completion of the acquisition. This income generating asset is expected to enhance cash flow visibility and support the Group's earnings base over the medium term.

Overall, the Proposed Acquisition is anticipated to contribute positively to the Group's financial performance by strengthening its asset portfolio, enhancing capital efficiency, and supporting sustainable shareholder value creation.

8. (b) In September 2025, Luxchem Trading Sdn. Bhd. acquired three (3) freehold industrial lots in Bandar Bukit Raja Industrial Park for RM40.55 million from Sime Darby Property.

What are the intentions of the Group on the acquisition? What are the short-term and long-term plans of the Group on the acquisition?

Reply: Ms Chong Ching San, Senior Finance Manager

The Proposed Acquisition is in line with the Group's capital optimisation strategy and prudent cash management approach. With surplus cash reserves, the Group aims to enhance returns by investing in real estate assets with development potential. Rather than maintaining idle funds in fixed deposits with modest yields, the Group intends to acquire the lands and potentially collaborate with a property developer to unlock higher investment returns through future development and sales of the property.

Barring unforeseen circumstances the Board remains optimistic about the prospects and future development potential of the lands. The Board will continue to carefully evaluate and deliberate on potential development plans to maximise value creation and profit generation from the acquisition.

The Group aims to capture long-term capital gains through various strategies, including buy-and-sell, build-and-sell, or build-and-rent initiatives, depending on prevailing market conditions and future opportunities. The necessary announcements will be made in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as and when such plans are finalised.

9. (a) Reference is made to the announcement in the Q1 of FY2026 financial report. On 22 January 2026, Transform Master Sdn. Bhd. ("TMSB"), a wholly-owned subsidiary of the Company has completed the acquisition of 1,800,000 ordinary shares in Kazox Materials Sdn. Bhd. ("Kazox"), representing 100% equity interest in Kazox for a total cash consideration of RM3,785,607.

What is the background of the company? Please include the details with the year founded, profile of the company, location and quantity of the factories it has, how many production lines it has and total annual capacity/output and top line & bottom line of the company in FY2025.

Reply: Ms Chong Ching San, Senior Finance Manager

Kazox is a 100% Malaysian-owned company and incorporated in 2013. The company commenced production on 15 January 2016 in Penang before relocating its operations to Teluk Intan on 1 February 2020. Kazox is principally engaged in the manufacturing of zinc oxide.

Kazox currently operates a single manufacturing facility in Teluk Intan, which is equipped with a total of eight (8) production lines and supported by a workforce of 13 employees. Its annual production capacity is approximately 5,000 metric tonnes.

9. (b) What is the justification/rationale of the acquired cost to acquire the company?

Reply: Ms Chong Ching San, Senior Finance Manager

Kazox is one of TMSB's key suppliers of zinc oxide. In FY2025, TMSB purchased approximately one-third (1/3) of its raw materials from Kazox.

Zinc oxide is also a key trading product of Luxchem Trading Sdn. Bhd.. With the acquisition of Kazox , the Group is able to strengthen its presence across the value chain and expand sales to both existing and new customers. Zinc oxide has a wide range of applications, including rubber manufacturing, personal care and cosmetics, pharmaceuticals, ceramics, and electronics. As such, this acquisition represents a form of upstream integration for the Group.

For TMSB, the acquisition enhances supply chain stability, reduces procurement costs, and improves overall operational efficiency. For Luxchem Trading Sdn. Bhd., it provides an opportunity to broaden its customer base and further expand its trading activities.

9. (c) What does the Group plan/intentions to the company acquired?

Reply: Ms Chong Ching San, Senior Finance Manager

The Group's objective in acquiring Kazox is to improve production and operational efficiency. In addition, the Group plans to increase production capacity and broaden its product range, given that zinc oxide serves a wide range of applications requiring different specifications.

9. (d) What solutions or benefits of the company that are able to provide to potential customers and the synergistic effects that could be brought by the acquired company?

Reply: Ms Chong Ching San, Senior Finance Manager

The acquisition of Kazox will enable the Group to provide a broader range of products to our customers at lower cost.

Mr YZ, a shareholder, raised the following questions:

1. **With the recent disruptions in the Strait of Hormuz, how does it impact Luxchem? Does Luxchem's raw material sourcing get impacted?**

   Reply: Ms Chong Ching San, Senior Finance Manager

   Please refer to our response above to Question 2(b) raised by Mr C for cross reference.

2. **With the expansion into China, is Luxchem going to set up production plant in China?**

   Reply: Ms Chong Ching San, Senior Finance Manager

   The Company is currently engaging Original Equipment Manufacturers (OEMs) in China for its production instead of carrying out its own production. The Company does not have any plans to establish its own plant for the time being.

3. **What is Management's view on the prospect of fiberglass and UPR for the next few years? What is the growth driver?**

   Reply: Ms Chong Ching San, Senior Finance Manager

   With the current global energy crisis due to skyrocketing crude oil prices and hostile geopolitical uncertainties, wind energy has shown consistent growth.

   As a result, demand for fibre-reinforced plastic ("**FRP**") composite wind blades is expected to increase in the coming years.

In addition, the rapid evolving AI-driven chipmaking and technology advancement are driving demand for FRP composite tanks for data center infrastructure and investments, as well as floor coatings and linings used in electronics manufacturing factories.

4. **Any updates on the development of the industrial land acquired last year?**

   Reply: Ms Chong Ching San, Senior Finance Manager

   Please refer to our response above to Question 8(b) raised by Mr C for cross reference.

5. **What is the advantage of LEXIS in the rubber glove based chemical market? How many competitors are there in this market?**

   Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

   LEXIS is a specialty chemicals manufacturer serving the rubber glove industry, operating in a competitive landscape with more than 10 competitors in Malaysia. Our key competitive advantages include:

   i. R&D capabilities that enable to tailor products to meet customers' specific requirements.
   ii. Strong technical support.
   iii. Quality and consistency product.
   iv. Innovation.

Mr Leo Ann Puat, a shareholder, raised the following questions:

1. Over the past five years, the Group has delivered commendable performance, supported by a strong balance sheet and healthy cash flow, although there has been a slight decline more recently. Given the current uncertainties arising from ongoing global crises, we would like to understand the Group's outlook.

Assuming that current geopolitical conflicts subside within the next one to two months, what are the Group's prospects for FY2026? Under such circumstances, does the Board anticipate an improvement in the Group's performance compared to FY2025? We understand the uncertainty in such projections and would appreciate your views.

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

We opt that the impact of the ongoing geopolitical tensions remains significant. Even if the conflict subsides and the Strait of Hormuz reopens, supply shortages are likely to persist for at least four to six months. This is due to the significant disruption to oil supply chains, particularly involving key producers such as Kuwait, the UAE, and Iran.

While the reopening of the Strait of Hormuz would represent an important step towards stabilisation, it will take time for supply levels to normalise and for the situation to fully recover. As such, the impact is expected to extend beyond the immediate term, with a more meaningful recovery potentially only observable by FY2027, assuming conditions continue to improve.

In light of these factors, the outlook remains highly uncertain.

2. **Based on the current outlook, does the Board expect FY2026 performance to be lower than FY2025. In addition, does the Group have sufficient inventory to manage potential supply disruptions? Are there any contingency plans in place to address the challenges anticipated in FY2026?**

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

We are confident in our ability to at least maintain our performance in FY2026, and we remain optimistic about achieving better results compared to FY2025. However, this will require significant effort in managing the current challenges. In such conditions, proactive measures are essential, including securing inventory in advance when necessary. This may have implications on cash flow, and therefore disciplined cash flow management is critical to ensure we are well-positioned to respond when opportunities arise.

Since 2020, the Group has faced a series of global challenges, including the Covid-19 pandemic, followed by the Russia–Ukraine conflict in 2022, the tariff tensions in 2025, and more recently, developments in the Middle East. These events highlight the range and frequency of external crises affecting businesses globally. In response, we have focused on improving operational efficiency and strengthening our team capabilities. With a solid team in place and continued efforts, we believe the Group remains resilient.

Reply: Datuk Kwan Foh Kwai, Independent Non-Executive Chairman

The Group has demonstrated a strong track record in navigating various crisis over the years. We have successfully managed through different types of challenging situations, and this experience gives us confidence in our ability to continue doing so.

He expresses his appreciation for Management in steering the Group through these difficult periods and maintaining overall stability.

LUXCHEM CORPORATION BERHAD
REGISTRATION NO. 199101014102 (224414-D)
SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTY-FOURTH ANNUAL GENERAL MEETING ("34TH AGM") OF THE COMPANY HELD ON THURSDAY, 21 MAY 2026 AT 10.00 A.M.

Mr. Neoh Jia En, a proxy, raised the following questions:

1. Has Luxchem adjusted its selling prices in response to higher raw material costs? If so, to what extent have customers accepted these price increases?

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

The impact of geopolitical tensions, particularly the potential closure of the Strait of Hormuz, affects all industries, as it affects approximately 20% of the global oil flow. This disruption would have a more significant impact on countries such as Japan, Taiwan, and Korea.

For Luxchem, our primary concern is ensuring continuity of supply rather than focusing solely on pricing. Customers generally understand the situation, as maintaining uninterrupted production is critical for their operations. As such, while price adjustments may be necessary, as long as they remain reasonable, customers are generally willing to accept them to secure reliable supply.

2. The Group's revenue declined by 8% despite an increase in sales volume which also led to a decline in earnings per share (EPS). Could the Company provide an indication of the approximate range of sales volume growth achieved during FY2025?

Reply: Ms Chen Moi Kew, Chief Financial Officer/Executive Director

In 2025, the Group's revenue declined by approximately 8%. One of the key reasons was our exposure to export markets, which account for about 40% of our business. As a result, our performance is affected by global market conditions and foreign exchange fluctuations.

In particular, foreign exchange fluctuations contributed to approximately 6% of the revenue decline, as the conversion of foreign currency sales into Ringgit Malaysia was affected at a lower rate. In terms of sales volume, we have generally maintained a stable performance compared to 2024, at approximately 130,000 metric tonnes.

Mr. Yap Siong Wei, a shareholder, raised the following questions:

1. What is the focus and expected contribution of the China subsidiary, Lexis Corporation (Guangzhou) Co. Ltd. ("Lexis GuangZhou") to the Group?

Reply: Ms Chen Moi Kew, Chief Financial Officer/Executive Director

Lexis GuangZhou commenced its operations at the end of 2025 and its initial contribution has been relatively modest. Nevertheless, in the first quarter of FY2026, Lexis GuangZhou began generating revenue and has already exceeded the performance recorded in the previous quarter. We expect a more meaningful revenue contribution in the current year, particularly when compared to the last quarter of 2025.

Reply: Mr John Lee Juinn Yong, Director and co-founder of LEXIS

Since operations only began in September 2025, our immediate focus is on converting existing China customers to transact through Lexis Guangzhou, especially from January 2026 onwards. We are targeting to transition approximately 90% of our China-based customers to be invoiced through this entity.

At the same time, Lexis Guangzhou provides a platform to onboard new customers, which was a key objective behind establishing the office, with the potential to expand into OEM activities in the future. Currently, certain products are being manufactured through OEM arrangements.

In terms of logistics, we already have warehouse facilities in China and are planning to set up an additional third-party warehouse within the next few months to further support our operations. At this stage, these are leased facilities rather than owned assets.

2. **Given that property investment is capital intensive, relatively illiquid and not part of the Group's core expertise, is this the most appropriate allocation of resources? Would it be more beneficial to focus on improving production efficiency or to return value to shareholders through a special dividend?**

   Additionally, is shareholder approval required should the Group intend to undertake further property acquisitions in the future?

   Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

   We believe that the properties acquired are strategically located and well-positioned to support our operations within the Klang area. In particular, the land in Northport represents a valuable investment opportunity, given its potential to generate stable long-term income and its suitability for future expansion or development into warehouse facilities.

   While we continue remain focused on improving productivity and operational efficiency as part of our core priorities, we also recognise the importance of capitalising on well-timed investment opportunities. These property investments are expected to generate additional revenue streams and contribute to the Group's overall growth. Therefore, we consider these investments, where appropriately evaluated, to represent a prudent and strategic use of the Group's available cash resources.

Mr Tan Ching Meng, a shareholder, raised the following questions:

1. **Based on the last slide of the pre-meeting questions, the Group appears to be exploring activities in property development, with three business models such as buy-and-sell, build-and-sell, and build-and-rent. Are these activities permitted under the Company's Constitution? Does this indicate a potential shift in the Group's strategic direction. Are there any tax implications associated with undertaking such property-related activities?**

Could the Board clarify whether the Group intends to formally embark on property development activities, and if so, whether there are plans to communicate this potential strategic shift more explicitly to shareholders?

Reply: Ms Chen Moi Kew, Chief Financial Officer/Executive Director

Lexis Chemical Sdn. Bhd. operates in compliance with the Companies Act 2016 and has not adopted its own company's constitution. It is noted that pursuant to Section 21 of the Companies Act 2016, a company has full capacity to exercise all functions of a body corporate and to carry on or undertake any business or activity.

The aforesaid land acquisitions do not represent a strategic shift into property development, as they constitute only a small portion of the Group's overall revenue base. The main intention is to construct factories on the acquired land, with plans to develop two factories on each parcel, resulting in a total of six factories over approximately six acres. The estimated investment value of is around RM2 million to RM3 million per factory the overall scale of the project remains modest. Accordingly, this initiative is not considered material and does not signify any deviation from the Group's core business activities.

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

We are currently evaluating opportunities to further develop TMSB. A key consideration in any expansion is ensuring the availability of sufficient land and production capacity. Expansion without adequate space may lead to higher costs, reduced operational efficiency, and potential production downtime.

Hence, these investments are primarily for enhancing operational efficiency and supporting future expansion. By securing sufficient land for expansion, the Group seeks to avoid the inefficiencies associated with operating across multiple sites. The Group maintains a long-term strategy, with the objective of strengthening production capacity and potentially generating additional revenue, rather than a short-term diversification into property development.

Mr Lee Yun Foh, a shareholder, raised the following questions:

1. **Has the Company's ROAE been affected by the recent acquisitions? It appears that the acquisition of subsidiaries has increased the Company's equity base (denominator). To what extent has this impacted the Company's return metrics and long-term value creation? Further, how does Management balance the use of cash between acquisitions, reinvestment, and dividend distribution? Is there a strategy in place to mitigate dilution effects or enhance overall shareholder returns?**

   Reply: Ms Chen Moi Kew, Chief Financial Officer/Executive Director

   The denominator in ROAE refers to average equity, comprising share capital and retained earnings, and is calculated based on standard shareholder return methodology. The increase in equity was mainly due to private placement and the issuance of shares to finance the acquisition of LEXIS (approximately 113 million ordinary shares), which resulted in a short-term dilution effect and lower returns in the previous year. It is also noted that the recent acquisitions of land and Kazox were funded through internal cash resources and bank borrowings and therefore did not result in an increase in share capital or significantly impacted on the Group's average equity.

In terms of capital allocation, the Group's equity base remains fundamental, and while there is no formal dividend policy, in practice approximately 40% of profits have consistently been distributed to shareholders. This reflects the Group's commitment to rewarding shareholders while maintaining financial discipline.

At the same time, the Group continues to prioritise building a strong financial foundation to support future growth. This approach enables the Group to remain resilient, well-prepared to navigate economic uncertainties and sustain long-term value creation.

Dividend distributions will continue to be guided by the Group's cash flow position and operational requirements, ensuring flexibility while delivering consistent returns to shareholders.

2. **Please further clarify the nature and composition of the Group's assets, particularly what types of investments are included within the asset base?**

Reply: Ms Chen Moi Kew, Chief Financial Officer/Executive Director

Our investments in Northport are expected to generate stable returns. For example, the Northport investment provides a yield of approximately 5%, which is comparatively higher than fixed deposit returns. In addition to recurring income, these assets also offer potential for long-term capital appreciation. This reflects our investment approach of balancing immediate income generation with long-term value creation.

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

Management is of the view that maintaining a strong balance sheet is critical for navigating various economic cycles and potential challenges. The Group remains positive about its long-term business outlook, with expectations that profitability can be sustained and potentially improved over the next 10 to 20 years.

If the Group generates higher profits, we will endeavour to return greater value to shareholders. In the past, we have distributed up to 50% of our profits as dividends, and we remain committed to rewarding shareholders appropriately based on our performance.

Reply: Datuk Kwan Foh Kwai, Independent Non-Executive Chairman

The Company is closely monitored by the Company's Independent Directors. The Company is actively managed by an excellent and robust management team with a strong focus on long-term value creation. This includes maintaining a strategic "war chest" to ensure financial flexibility, while progressively identifying and developing additional recurring income streams, such as rental income and industrial development activities undertaken through subsidiaries, including LEXIS. These initiatives are aimed at enhancing income stability and improving earnings visibility over the long term.

The Board will continue to assess dividend decisions based on the Group's financial performance and strategic priorities, ensuring an appropriate balance between delivering returns to shareholders and supporting sustainable business growth. It should also be noted that dividend distributions are subject to the Group's cash flow position and operational requirements.

Mr Kwang Qi Cai, a shareholder, raised the following questions:

1. Does Luxchem see acquisition of companies as part of its growth strategy?

Reply: Ms Chen Moi Kew, Chief Financial Officer/Executive Director

In terms of growth strategy, the Group remains focused on strengthening its position within its core value chain rather than pursuing unrelated diversification. We continue to explore opportunities for upstream integration and consolidation within related industries. Acquisitions such as TMSB, LEXIS, Hurco Marketing Sdn. Bhd., and Kazox are aligned with this approach, as they complement and enhance our core coatings and chemicals business, while improving operational efficiency and strengthening our market position.

2. What is the Group's current competitive position within the industry, and have there been any recent developments and changes in its scale or overall market presence?

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

The Group continues to maintain a strong competitive position within the industry. In the rubber glove segment, we are regarded as one of the key players, ranking among the top five in Malaysia, and we provide a comprehensive "one-stop solution" to glove manufacturers. Our presence extends to export markets, supplying to glove manufacturers in regions such as Thailand and Africa.

Having said that, the Group's performance is closely linked to industry conditions. For example, a slowdown in the glove industry will have a corresponding impact on our business.

3. Do you see increasing consolidation among local players in the Malaysian market over the years?

Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

There are relatively few large-scale players in the industry, while many smaller companies are owner-managed and operate on a limited scale, such as importing materials in small volumes. However, this business requires strong financial capabilities, and companies with weaker financial positions may find it challenging to sustain or expand in this sector.

While there are numerous smaller players, the number of established and well-capitalised players remains limited. Having said that, the Group does not focus solely on competition. Instead, we prioritise improving our own operational efficiency and strengthening long-term relationships with both suppliers and customers.

Mr Tan Kay Wee, a shareholder, raised the following questions:

1. **The Group has seen encouraging growth in certain overseas markets such as Vietnam and Thailand, with Singapore and Hong Kong also performing relatively well. Could Management provide further insights on these markets? Additionally, what is the business outlook for Indonesia? Are there any plans to consolidate or potentially exit from smaller operations in the market?**

   Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

   We primarily focused on key markets within the glove industry supply chain, particularly in countries with significant manufacturing activities. We export to multiple regions where glove productions are operated in a competitive environment, including markets such as Thailand, Vietnam and Indonesia, where the industry is either well-established or continuing to develop.

   The Group's growth prospects vary by region. For example, in markets such as Africa, growth visibility remains limited, and customers often source products from multiple suppliers on an ad-hoc basis. While this presents an opportunity for the Group to offer a more comprehensive "one-stop" solution, these markets are not currently a primary focus.

2. **Does the Group expect the markets in Vietnam and Thailand to continue strengthening going forward?**

   Reply: Mr Tang Ying See, Managing Director/Chief Executive Officer

   We have established a representative office in Thailand, including setting up a local office, and we have recorded encouraging performance in this market. Vietnam remains relatively stable, although demand in certain segments, particularly UPR-related applications, has softened. However, we anticipate gradual improvement in Vietnam as the market continues to develop, given its position as glove manufacturing country.