



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2018**

**ALCOM GROUP BERHAD (1261259-V)**  
**Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 September 2018**  
**(Unaudited)**

	Quarter ended 30 September	Quarter ended 30 September	9 months ended 30 September	9 months ended 30 September
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	83,050	N/A	284,942	N/A
Expenses excluding tax	(82,395)	N/A	(282,025)	N/A
Other operating income	318	N/A	520	N/A
Profit before tax	973	N/A	3,437	N/A
Taxation	(1,506)	N/A	(3,426)	N/A
Net (loss)/profit for the period	(533)	N/A	11	N/A
Other comprehensive income :				
<u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial gains on gratuity scheme	-	N/A	-	N/A
Taxation relating to component of other comprehensive income	-	N/A	-	N/A
Other comprehensive income for the period, net of tax	-	N/A	-	N/A
Total comprehensive (expense)/income for the period	(533)	N/A	11	N/A
Attributable to:				
- Shareholders of the Company	(533)	N/A	11	N/A
	(533)	N/A	11	N/A
Basic (loss)/earnings per ordinary share (sen)	(0.40)	N/A	0.01	N/A
Diluted (loss)/earnings per ordinary share (sen)	(0.40)	N/A	0.01	N/A

**\*\* In the previous financial period, Aluminium Company of Malaysia Berhad ("Alcom") Group of Companies ("Alcom Group" or "the Group") changed its financial year end from 31 March to 31 December. As a result, there are no comparative figures presented for the current quarter and year-to-date ended 30 September 2018.**

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)**

**ALCOM GROUP BERHAD (1261259-V)**  
**Condensed Consolidated Statement of Financial Position as at 30 September 2018 (Unaudited)**

	<b>UNAUDITED</b> As At 30 September 2018 RM'000	<b>AUDITED</b> As At 31 December 2017 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	62,581	63,684
Intangible assets	1,370	2,159
	<u>63,951</u>	<u>65,843</u>
<b>CURRENT ASSETS</b>		
Inventories	75,030	67,874
Trade receivables	41,764	45,000
Other receivables and prepayments	13,733	16,871
Amount due from related companies	2	-
Derivative financial instruments	-	816
Deposits, cash and bank balances	44,430	45,885
Property development expenditure	102,422	-
	<u>277,381</u>	<u>176,446</u>
<b>TOTAL ASSETS</b>	<u><u>341,332</u></u>	<u><u>242,289</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	104,778	100,123
Other reserves	-	(1,091)
Revenue reserve	14,217	19,238
Total Equity	<u>118,995</u>	<u>118,270</u>
<b>LIABILITIES</b>		
Provision for gratuity scheme	4,779	4,436
Deferred taxation	3,403	3,912
Borrowings	142,879	69,432
	<u>151,061</u>	<u>77,780</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	36,647	27,131
Other payables and accruals	15,822	15,814
Amount due to related companies	3	-
Provision for taxation	1,256	2,296
Derivative financial instruments	152	-
Loans and borrowings	17,396	998
	<u>71,276</u>	<u>46,239</u>
<b>TOTAL LIABILITIES</b>	<u>222,337</u>	<u>124,019</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>341,332</u></u>	<u><u>242,289</u></u>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)**

**ALCOM GROUP BERHAD (1261259-V)**  
**Condensed Consolidated Statement of Changes In Equity for the quarter ended 30 September 2018**  
**(Unaudited)**

	Share capital RM'000	<u>Non- distributable</u> Other reserves RM'000	<u>Distributable</u> Revenue reserve RM'000	Total RM'000
<b>Balance as at 1 January 2018</b>	100,123	(1,091)	19,238	118,270
<u>Total comprehensive income:</u>				
Profit for the period	-	-	11	11
Total comprehensive income for the period	-	-	11	11
<u>Transactions with owners:</u>				
Disposal of treasury shares	-	1,091	(377)	714
Internal reorganisation	4,655	-	(4,655)	-
Total transactions with owners for the period	4,655	1,091	(5,032)	714
<b>Balance as at 30 September 2018</b>	104,778	-	14,217	118,995
<b>Balance as at 1 January 2017</b>	N/A	N/A	N/A	N/A
<u>Total comprehensive income:</u>				
Profit for the period	N/A	N/A	N/A	N/A
Actuarial gains on gratuity scheme, net of tax	N/A	N/A	N/A	N/A
Total comprehensive income for the period	N/A	N/A	N/A	N/A
<b>Balance as at 30 September 2017</b>	N/A	N/A	N/A	N/A

**\*\* In the previous financial period, Alcom Group changed its financial year end from 31 March to 31 December. As a result, there are no comparative figures presented for the current quarter.**

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)**

**ALCOM GROUP BERHAD (1261259-V)**  
**Condensed Consolidated Statement of Cash Flows for the quarter ended 30 September 2018**  
**(Unaudited)**

	<b>9 months ended 30 September 2018 RM'000</b>	<b>9 months ended 30 September 2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,437	N/A
Adjustment for:-		
Net fair value loss on currency forwards	968	N/A
Property, plant and equipment		N/A
- depreciation	5,749	N/A
- gain on disposal	(135)	N/A
- Property, plant and equipment written off	8	N/A
Intangible assets		N/A
- amortisation	352	N/A
Provision for gratuity scheme	346	N/A
Allowance for inventory writedown	928	N/A
Unrealised foreign exchange gain	(852)	N/A
Interest Income	(212)	N/A
Interest Expense	2,986	N/A
	<b>13,575</b>	<b>N/A</b>
Changes in Working Capital:-		
Inventories	(8,083)	N/A
Receivables	7,717	N/A
Payables	9,474	N/A
Property development cost	(102,422)	N/A
Cash used in operations	<b>(79,739)</b>	<b>N/A</b>
Tax paid	(4,973)	N/A
Gratuity paid	(578)	N/A
Net cash used in operating activities	<b>(85,290)</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment		
- purchases	(4,226)	N/A
- proceeds from disposal	144	N/A
Interest income received	212	N/A
Net cash used in investing activities	<b>(3,870)</b>	<b>N/A</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Drawdown of borrowings	89,844	N/A
Proceed from disposal of treasury shares	714	N/A
Interest paid	(2,675)	N/A
Net cash generated from financing activities	<b>87,883</b>	<b>N/A</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(1,277)</b>	<b>N/A</b>
Foreign exchange differences	(178)	N/A
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>45,883</b>	<b>N/A</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>44,428</b>	<b>N/A</b>

**\*\* In the previous financial period, Alcom Group changed its financial year end from 31 March to 31 December. As a result, there are no comparative figures presented for the current quarter.**

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)**

## **ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)**

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### **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”).

On 16 August 2018, the Internal Reorganisation of Aluminium Company of Malaysia Berhad (“Alcom”) in which Alcom Group Berhad (“AGB”) was established as the new holding company was completed. As a result, AGB has assumed the listing status of Alcom and Alcom became a wholly-owned subsidiary of AGB. The Internal Reorganisation does not result in any change of economic substance of the Group.

The consolidated financial statements of the new AGB Group have been prepared using the merger accounting principles for the combining entities with common control. To that effect, the accounting for the combining entities is made as though that no acquisition had occurred and the separate entities continuing as before. Accordingly, the comparative figures in the condensed consolidated statement of comprehensive income shall be presented as if the reorganisation had been effected from the beginning of the earliest period presented. Due to the change of financial year end of Alcom Group from 31 March to 31 December in the previous financial period, there are no comparative figures available for this report.

The interim financial statements should be read in conjunction with Alcom Group's financial statements for the 9-month period ended 31 December 2017. 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 period ended 31 December 2017.

#### **A2. Accounting policies**

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of Alcom Group for the financial period ended 31 December 2017 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

The application of the standards and amendments to the standards do not have a material impact to the financial statements of the Group and the Company.

## **ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)**

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### **A2. Accounting policies (continued)**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issue Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group and the Company:-

**(i) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019**

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement

**(ii) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020**

- Amendments to References to the Conceptual Framework in MFRS Standards
  - a) Amendment to MFRS 3, Business Combinations
  - b) Amendments to MFRS 101, Presentation of Financial Statements
  - c) Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
  - d) Amendments to MFRS 134, Interim Financial Reporting
  - e) Amendment to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
  - f) Amendment to MFRS 138, Intangible Assets
  - g) Amendment to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
  - h) Amendment to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
  - i) Amendments to IC Interpretation 132, Intangible Assets—Web Site Costs

## **ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)**

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### **A2. Accounting policies (continued)**

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company except as mentioned below:

#### **(i) MFRS 16, Leases**

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.

### **A3. Audit Report of the preceding annual Financial Statements**

The audit report of Alcom 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 quarter 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 financial year-to-date results.



## ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### A7. Debt and Equity Securities

On 9 July 2018 and 10 July 2018, Alcom resold a total of 1,000,000 treasury shares in the open market. The average resale price of the treasury shares was RM0.71 per share. With the disposal, there is no outstanding balance of treasury shares in Alcom.

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

### A8. Dividends paid

No dividend has been paid during the quarter under review.

### A9. Segmental information

The Group which operates in Malaysia was involved in 3 segments, principally:-

- 1) Investment holding
- 2) manufacturing of aluminium products
- 3) property holding, development and construction

The following revenues for the manufacturing segment and are based on the regions in which the customers are located :-

	Revenue	
	Quarter Ended 30 September 2018 RM'000	Year-To-Date 30 September 2018 RM'000
Malaysia	22,285	71,499
Thailand	16,904	67,090
India	18,595	67,785
Asia (excluding Malaysia, Thailand and India)	5,332	13,446
Europe	12,175	37,115
Middle East	6,187	24,008
Others	1,572	3,999
Total	<u>83,050</u>	<u>284,942</u>

Included in the revenue line of the Malaysia location above is sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas which amounted to RM1.25 million for the current quarter and RM7.95 million for year-to-date ended 30 September 2018.

There were no revenues for investment holding segment and property segment. The property segment was still in its developmental phase.

### A10. Valuation of Property, Plant and Equipment

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

## ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### A11. Capital Commitments

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

	<b>Group 30 September 2018 RM'000</b>
- Contracted	5,849
- Not Contracted	13,942
Total Capital Commitment	<u>19,791</u>

### 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

Apart from Note A1, on 27 August 2018, AGB had acquired one (1) ordinary share representing the entire issued and paid-up share capital of SCLand Development Sdn Bhd (“SDSB”) from Alcom at a total consideration of RM1. SDSB has become a wholly-owned direct subsidiary of AGB from the said acquisition.

The acquisition of SDSB does not have any material effect on the share capital and number of issued shares of AGB nor the shareholdings of the substantial shareholders of AGB. It also did not have any material effect on the net assets and earnings per share of AGB as well as the gearing of AGB for the financial period under review.

Other than the above, there is no change 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 September 2018 are as follows:

	<b>Group 30 September 2018 RM'000</b>
<u>Unsecured contingent liabilities</u>	
Corporate guarantee provided to secure banking facility granted to wholly-owned indirect subsidiaries	208,328



## ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

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

#### B1. Review of Group Performance

	Individual Quarter (3 <sup>rd</sup> Quarter)		Change % <sup>*</sup>	Cumulative Quarters		Change % <sup>*</sup>
	Current Year Quarter	Preceding Year Corresponding Quarter <sup>*</sup>		Current Year-To-Date	Preceding Year Corresponding Period <sup>*</sup>	
	30 September 2018	30 September 2017		30 September 2018	30 September 2017	
	RM' 000	RM' 000		RM' 000	RM' 000	
Revenue	83,050	N/A	N/A	284,942	N/A	N/A
Profit Before Interest and Tax	1,896	N/A	N/A	6,211	N/A	N/A
Profit Before Tax	973	N/A	N/A	3,437	N/A	N/A

*\*Due to the change in financial year end from 31 March to 31 December, there are no comparative figures and commentaries included in the financial review.*

#### Financial review of third quarter ended 30 September 2018 (“Q3 FY2018”)

The Group recorded a revenue RM83.05 million in Q3 FY2018 which contributed to 29% of the total revenue for the first 9 months of the financial year. This revenue was generated entirely from the manufacturing segment against the background of the anticipated annual seasonal downturn for the fin products. There was also a marginal reduction in the *base metal costs* component during the quarter under review which impacted the revenue. Base metal costs consists of aluminium prices quoted on the London Metal Exchange and transport premiums.

Export sales constituted 73% of the revenue with the remaining 27% derived from the domestic market. The coated fin product category continued to be the largest contributor, accounting for 54% of the total shipment volume.

No revenue was recorded for the segments of property and investment holding. The property segment was still in its developmental phase of its project.

The Group registered a profit before tax of RM 0.97 million for Q3 FY2018. This result was net of the property and investment holding segments' expenses of RM1.79 million and RM0.33 million respectively. The property segment costs were primarily pre-developmental expenses. The manufacturing segment continued to generate a healthy contribution driven largely by high productivity. This was evident from a lower than average usage of external rerolls to supplement in-house production. In addition, a favourable metal price lag\* positively aided the result for the quarter which was partially offset by interest expense and provision for customer complaints.

*\*metal price lag refers to timing differences experienced on the pass through of changing aluminium prices based on the price we pay for aluminium and the price we charge our customers after the aluminium is processed.*

## ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### B1. Review of Alcom Group’s Performance (continued)

#### Financial review of Year-To-Date ended 30 September 2018 (“YTD FY2018”)

The Group recorded a revenue of RM284.9 million for YTD FY2018 with a commendable shipment volume despite the stiff competitive landscape with export sales representing 75% of the total revenue which was denominated in USD currency.

A higher base metal cost also aided in the higher revenue achievement. Base metal costs which comprise of aluminium prices quoted on the London Metal Exchange and transport premium, increased by 3% over the 9 month period. However, the revenue was impacted by the strengthening of the ringgit vis-a-vis the USD currency in the months from Feb 2018 to June 2018 relative to Jan 2018.

No revenue was recorded for the segments of property and investment holding. The property segment was still in its developmental phase of its project.

The Group registered a profit before tax of RM 3.44 million which was net of the property and investment holding segments’ expenses of RM4.42 million and RM0.33 million respectively. Property segment expenses were incurred mainly for stamp duty of a loan agreement, marketing expenses, staff salaries, interest costs and other pre-development expenses.

The manufacturing segment achieved an encouraging contribution level resulting from the commendable shipment volume coupled with consistent high productivity during the 9 months. The satisfactory profit before tax result was net of interest expense. This was after the segment made provision for customer complaints and incurred fixed costs which were within expectations.

### B2. Financial review of the third quarter ended 30 September 2018 (“Q3 FY2018”) compared with the immediate preceding quarter ended 30 June 2018 (“Q2 FY2018”)

	Current Year Quarter 30 September 2018	Immediate Preceding Quarter 30 June 2018	Change (%)
	RM' 000	RM' 000	
Revenue	83,050	100,852	-18
Profit Before Interest and Tax	1,896	2,649	-28
Profit Before Tax	973	1,740	-44

For Q3 FY2018, the Group recorded a profit before tax of RM0.97 million compared to the immediate preceding quarter’s attainment of RM1.74 million. The manufacturing segment mainly accounted for this decline.

A lower shipment volume attained for the manufacturing segment in Q3 FY2018 compared to Q2 FY2018 was the main reason for this decline in profit before tax with the annual seasonal downturn for the fin products in Q3 FY2018 being the contributory factor. This shortfall was partially offset by a favourable metal price lag\* registered in Q3 FY2018 as compared to an adverse metal price lag\* recorded in Q2 FY2018. In addition, in Q3 2018, there was a higher provision made for customer complaints.

## ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

### B2. Financial review of the third quarter ended 30 September 2018 (“Q3 FY2018”) compared with the immediate preceding quarter ended 30 June 2018 (“Q2 FY2018”) (continued)

The property segment meanwhile incurred expenses totaling RM1.79 million in Q3 FY2018 which was marginally lower than in Q2 FY2018.

*\*metal price lag refers to timing differences experienced on the pass through of changing aluminium prices based on the price we pay for aluminium and the price we charge our customers after the aluminium is processed*

### B3. Commentary on Prospects

The on-going trade feud between the United States (“US”) and its trading partners does not augur well for the global economy. However, the imminent resumption of trade talks between US and China is anticipated to have an encouraging influence on the situation. Other factors of concern are trade protectionism, a volatile US dollar and increasing risks of Brexit.

The above may negatively impact the manufacturing segment of the Group as it endeavors to increase its presence in selective export markets. Against this backdrop of unsettling uncertainties, the Group is expected to remain committed in improving its discipline and operational focus; making it leaner, more efficient to ensure that costs are maintained within manageable limits to remain competitive.

### B4. Variance of actual profit from forecast profit

Not applicable.

### B5. Profit for the Period

Profit for the period is arrived at after charging/(crediting):

	Quarter ended 30 September 2018 RM'000	Year-To-Date 30 September 2018 RM'000
Interest income	(79)	(212)
Interest expense	1,002	2,986
Depreciation and amortization	2,017	6,101
Allowance for inventory writedown	553	928
Foreign exchange loss/(gain)		
- Realised	95	(354)
- Unrealised	392	(852)
Net fair value (gain)/loss on derivatives	(588)	968
Gain on disposal of property, plant and equipment	(100)	(135)
Property, plant and equipment written off	-	8

**ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)**

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

**B6. Taxation**

	Quarter ended		Year-To-Date	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	RM'000	RM'000	RM'000	RM'000
<b>Current Tax</b> - current year	(2,131)	N/A	(3,935)	N/A
<b>Deferred Taxation</b> - Origination and reversal of temporary differences	625	N/A	509	N/A
	(1,506)	N/A	(3,426)	N/A

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

**B7. Status of Corporate Proposals**

There were no corporate proposals announced which have not been completed as at 22 November 2018 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B8. Group Borrowings**

The Group's borrowings as at 30 September 2018 were as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
Term Loan	142,432	-	142,432
<u>Unsecured</u>			
Finance lease liabilities	447	115	562
Revolving credit	-	16,304	16,304
Corporate credit card facility from a financial institution	-	977	977
	142,879	17,396	160,275

**ALCOM GROUP BERHAD (“AGB”) (Co. No. 1261259-V)**

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2018

**B9. Derivative Financial Instruments**

As at 30 September 2018, total contract value and fair value of the Group’s outstanding forward foreign exchange contracts stood as follows:

<b>Types of Derivatives (Foreign Exchange Contracts)</b>	<b>Contract/Notional Value RM’000</b>	<b>Fair Value RM’000</b>
Less than 1 year		
- Payable	16,317	16,329
- Receivable	43,040	43,204

**B10. Changes in Material Litigation**

Not applicable.

**B11. Dividend Payable**

No dividend in respect of the financial period under review has been declared.

**B12. Earnings Per Share**

	<b>Quarter ended 30 September 2018</b>	<b>Quarter ended 30 September 2017</b>	<b>Year-To-Date 30 September 2018</b>	<b>Year-To-Date 30 September 2017</b>
Net (loss)/profit attributable to shareholders (RM’000)	(533)	N/A	11	N/A
Weighted average number of ordinary shares in issue (000)	134,331	N/A	134,331	N/A
Basic (loss)/earnings per share (sen)	(0.40)	N/A	0.01	N/A

**B13. Authorization of Issue**

The interim financial statements were authorized for issue by the Board of Directors of AGB in accordance with a resolution of the Directors passed on 27 November 2018.

**BY ORDER OF THE BOARD**  
27 November 2018