



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED
30 JUNE 2020**

ALCOM GROUP BERHAD (201701047083 (1261259-V))

Condensed Consolidated Statement of Comprehensive Income for the 2nd quarter ended 30 June 2020 (Unaudited)

	Quarter ended 30 June 2020	Quarter ended 30 June 2019	6 months ended 30 June 2020	6 months ended 30 June 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	54,540	90,313	136,025	182,803
Expenses excluding tax	(59,478)	(88,893)	(142,390)	(182,200)
Other operating income	230	104	368	179
Profit/(loss) before tax	(4,708)	1,524	(5,997)	782
Taxation	405	(477)	(624)	(916)
Net profit/(loss) for the period	(4,303)	1,047	(6,621)	(134)
Other comprehensive income, net of tax : <u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial gains on gratuity scheme	-	-	-	-
Taxation relating to component of other comprehensive income	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	(4,303)	1,047	(6,621)	(134)
Attributable to:				
- Shareholders of the Company	(4,303)	1,047	(6,621)	(134)
	(4,303)	1,047	(6,621)	(134)
Basic earnings/(loss) per ordinary share (sen)	(3.20)	0.78	(4.93)	(0.10)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 2020 (Unaudited)**

	UNAUDITED As At 30 June 2020 RM'000	AUDITED As At 31 December 2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	75,456	79,074
Intangible assets	2,953	3,440
Deferred tax assets	810	810
	<u>79,219</u>	<u>83,324</u>
CURRENT ASSETS		
Inventories	185,243	182,673
Trade receivables	27,946	24,198
Other receivables and prepayments	8,064	4,332
Amount due from related companies	99	21
Tax recoverable	1,722	1,774
Derivative financial instruments	87	334
Cash and bank balances	43,948	51,929
Contract assets	-	925
Contract costs	28,560	24,496
	<u>295,669</u>	<u>290,682</u>
TOTAL ASSETS	<u><u>374,888</u></u>	<u><u>374,006</u></u>
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	10,740	17,360
Total Equity	<u>115,518</u>	<u>122,138</u>
NON-CURRENT LIABILITIES		
Provision for gratuity scheme	4,481	4,277
Deferred tax liabilities	1,780	3,051
Loans and borrowings	104,318	107,787
Lease liabilities	994	1,299
	<u>111,573</u>	<u>116,414</u>
CURRENT LIABILITIES		
Trade payables	30,164	41,321
Other payables and accruals	17,380	26,332
Amount due to related companies	1,013	-
Provision for taxation	521	708
Loans and borrowings	73,483	43,265
Lease liabilities	1,037	1,100
Contract liabilities	24,199	22,728
	<u>147,797</u>	<u>135,454</u>
TOTAL LIABILITIES	<u>259,370</u>	<u>251,868</u>
TOTAL EQUITY AND LIABILITIES	<u><u>374,888</u></u>	<u><u>374,006</u></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 2020 (Unaudited)

	<u>Non-distributable</u> Share capital RM'000	<u>Treasury</u> shares RM'000	<u>Distributable</u> Retained earnings RM'000	Total RM'000
Balance as at 1 January 2020	104,778	-	17,361	122,139
<u>Total comprehensive income:</u>				
Loss for the period	-	-	(6,621)	(6,621)
Total comprehensive loss for the period	-	-	(6,621)	(6,621)
Balance as at 30 June 2020	104,778	-	10,740	115,518
Balance as at 1 January 2019 - as previously reported	104,778	-	17,643	122,421
Impact of change in accounting policy - MFRS16	-	-	(86)	(86)
Adjusted balances at 1 January 2020	104,778	-	17,557	122,335
<u>Total comprehensive income:</u>				
Loss for the period	-	-	(134)	(134)
Total comprehensive expense for the period	-	-	(134)	(134)
Balance as at 30 June 2019	104,778	-	17,423	122,201

(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 2019 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 2020
(Unaudited)

	6 months ended 30 June 2020 RM'000	6 months ended 30 June 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(5,997)	782
Adjustment for:-		
Net fair value loss on currency forwards	247	354
Property, plant and equipment		
- depreciation	4,575	4,322
- loss/(gain) on disposal	4	(12)
Intangible assets		
- amortisation	482	245
Right-of-use assets		
- depreciation	720	535
Provision for gratuity scheme	204	219
Allowance for inventory writedown	948	870
Unrealised foreign exchange gain	(495)	(356)
Interest income	(276)	(142)
Interest expense	2,933	2,837
Interest expense on lease liabilities	97	72
Reversal of impairment loss on property, plant and equipment	-	(7)
Bad debts written off	-	4
Allowance for doubtful debts	-	58
	3,442	9,781
Changes in Working Capital:-		
Inventories	(2,668)	1,499
Receivables	(6,772)	4,101
Payables	(20,069)	(9,510)
Contract assets	925	-
Contract costs	(4,065)	-
Contract liabilities	1,471	-
Balances with related companies	935	-
Cash generated from/(used in) operations	(26,801)	5,871
Tax paid	(2,028)	(4,272)
Gratuity paid	(230)	(273)
Net cash from/(used in) operating activities	(29,059)	1,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- purchases	(1,310)	(10,290)
- proceeds from disposal	9	71
Intangible assets		
- purchases	-	(64)
Interest income received	199	149
Net cash used in investing activities	(1,102)	(10,134)
CASH FLOWS FROM FINANCING ACTIVITY		
Changes in deposit pledged	(40)	-
Proceeds from borrowings	26,748	17,059
Payment of lease liabilities	(739)	(611)
Interest paid	(3,762)	(4,160)
Net cash from financing activities	22,207	12,288
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(7,954)	3,480
Foreign exchange differences	(67)	356
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	50,781	39,128
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	42,760	42,964

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 2019. 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 2019.

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 2019 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

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

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 2022

- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

(ii) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendment 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.

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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.

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 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 results of the current quarter 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 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 4 segments, principally:-

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

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A9. Segmental information (continued)

Segmental earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the 6 months period ended 30 June 2020 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	733	2,393	283	(447)	(427)	2,535
Included in the measure of segment EBITDA are:						
- Revenue from external customers	120,172	14,020	1,833	-	-	136,025
- Allowance of inventory writedown	(948)	-	-	-	-	(948)

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.

A11. Capital Commitments

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

	Group
	30 June 2020
	RM'000
- Contracted	1,161
- Not Contracted	914
Total Capital Commitment	<u>2,075</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

There were no changes in the composition of the Group at the date of this report.

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

B1. Review of Group Performance

	Individual Quarter (2 nd Quarter)		Change %	Cumulative Quarters		Change %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year-To-Date	Preceding Year Corresponding Period	
	30 June 2020	30 June 2019		30 June 2020	30 June 2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	54,540	90,313	-40	136,025	182,803	-26
Profit/(Loss) Before Interest and Tax	(3,409)	2,949	-216	(3,243)	3,549	-191
Profit/(Loss) Before Tax	(4,708)	1,524	-409	(5,997)	782	-867

Financial review of the second quarter ended 30 June 2020 (“Q2 FY2020”) compared with the corresponding quarter in Financial Year 2019 (“Q2 FY2019”)

The Group’s Q2 FY2020 result continued to be impacted by the unprecedented challenges of the Covid-19 pandemic and the resultant government mandated Movement Control Order (“MCO”) and Conditional Movement Control Order (“CMCO”). The Group’s operations resumed progressively during Q2 FY2020. Against this backdrop, the Group’s revenue for Q2 FY2020 declined by 40% compared to the corresponding quarter of FY2019. Of the RM54.54 million revenue recorded in Q2 FY2020, RM47.03 million was generated from its manufacturing segment and the remaining RM7.51 million of external revenue was generated from its property development and construction segments. No revenue was recorded for the investment holding segment.

The manufacturing segment’s revenue in Q2 FY2020 declined by RM34.20 million as compared to Q2 FY2019 which registered a revenue of RM81.23 million. This decline was due to a drop in shipment volumes both in the domestic and export markets as there was a significant slowdown across all regions. Additionally, revenue was also impacted due to a lower average base metal cost by approximately 15% in Q2 FY2020 versus Q2 FY2019. Base metal cost which is denominated in USD comprises aluminium prices quoted on the London Metal Exchange and transport premium. This was partially offset by a weaker Ringgit Malaysia vis-à-vis the USD currency; the Ringgit Malaysia was approximately 4% weaker in Q2 FY2020 versus Q2 FY2019.

The property development segment posted a revenue of RM6.47 million in Q2 FY2020, which represented a decrease of 29% compared with RM9.08 million achieved in Q2 FY2019 for its maiden EmHub project. This decline was attributable to lower sales due to MCO lockdown restrictions. Additionally, construction progress was slower at its EmHub project as a result of the MCO and CMCO.

The construction segment which began generating revenue in the fourth quarter of FY2019 registered an external revenue of RM1.04 million in Q2 FY2020 namely from the supply and installation of roofing products and cladding systems.

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B1. Review of Group Performance (continued)**Financial review of the second quarter ended 30 June 2020 (“Q2 FY2020”) compared with the corresponding quarter in Financial Year 2019 (“Q2 FY2019”) (continued)**

The Group registered a pre-tax loss of RM4.71 million in Q2 FY2020 as compared to profit before tax in Q2 FY2019 of RM1.52 million; the segmental breakdown was as follows:-

Breakdown - Profit/(Loss) Before Tax	Q2 FY2020	Q2 FY2019	Change %
	RM'000	RM'000	
Manufacturing Segment	(4,135)	1,724	-340
Property Development Segment	9	48	-81
Construction Segment	(49)	N/A	N/A
Investment Holding Segment	(224)	(248)	10
Inter Segment Elimination	(309)	-	-
Group Total	(4,708)	1,524	-409

The manufacturing segment registered a pre-tax loss in Q2 FY2020 of RM4.14 million versus Q2 FY2019's profit before tax of RM1.72 million. The contribution generated was significantly impacted following the lower revenue recorded from the overall reduced shipment volume. Conversely, lower fixed costs in Q2 FY2020 versus Q2 FY2019 with the exception of depreciation, aided in partially offsetting the lower contribution attained.

For the property development segment, its EmHub project began recognizing revenue since Q2 FY2019. It posted a lower profit before tax of RM0.01 million in Q2 FY2020 mainly due to the MCO and CMCO, which translated into lower progressive profits being recognised. The full impact of the MCO and CMCO was felt as construction was compulsorily halted for a significant period of time in Q2 FY2020. Construction sites were only allowed to resume operations in early May 2020 and the requirement for all foreign workers to be tested for the Covid-19 infection before being allowed to work at the construction site further delayed the restarting of construction operations.

For the construction segment, it recorded a marginal loss before tax of RM0.05 million in Q2 FY2020.

Financial review of Year-To-Date ended 30 June 2020 (“YTD FY2020”) versus Year-To-Date ended 30 June 2019 (“YTD FY2019”)

The Group's YTD FY2020 result was severely impacted by the MCO which came into effect toward the end of the first quarter of FY2020 followed by the CMCO which ended in early June 2020. The Group's operations resumed progressively during Q2 FY2020. This revenue registered for the Group was a 26% decline compared to YTD FY2019's achievement of RM182.80 million. Of the RM136.03 million for YTD FY2020 recorded revenue for the Group, RM120.17 was attributable from the manufacturing segment with the remaining RM15.86 million external revenue being generated from the property development and construction segments. No revenue was recorded in the investment holding segment.

The manufacturing segment recorded a decrease of RM53.55 million in revenue for YTD FY2020 as compared to YTD FY2019's achievement of RM173.72 million. This 31% decline was a result of a drop in shipment volumes across all product categories impacting both domestic and export destinations. Q2 FY2020 accounted for 70% of the shipment shortfall with Q1 FY2020 accounting for the remaining 30%.

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B1. Review of Group Performance(continued)

Financial review of Year-To-Date ended 30 June 2020 (“YTD FY2020”) versus Year-To-Date ended 30 June 2019 (“YTD FY2019”) (continued)

In addition, a lower average base metal cost compounded the revenue decline; base metal cost which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was approximately 11% lower for YTD FY2020 versus YTD FY2019. This was partially offset by a weaker Ringgit Malaysia vis-à-vis the USD currency; the Ringgit Malaysia was approximately 3% weaker during YTD FY2020 versus YTD FY2019.

The property development segment registered a RM4.94 million increase in revenue for YTD FY2020 when compared to YTD FY2019’s revenue of RM9.08 million. This 54% increase was attained because it had only started recognising revenue on its maiden EmHub project from the second quarter of FY2019 onwards.

The construction segment, which began generating revenue in the fourth quarter of FY2019, posted an external revenue of RM1.83 million for YTD FY2020.

The Group registered a loss before tax of RM6.00 million for YTD FY2020 as compared to YTD FY2019’s profit before tax of RM0.78 million; the segmental breakdown was as follows:-

Breakdown - Profit/(Loss) Before Tax	YTD FY2020	YTD FY2019	Change %
	RM’000	RM’000	
Manufacturing Segment	(5,169)	3,504	-248
Property Development Segment	290	(2,250)	113
Construction Segment	13	N/A	N/A
Investment Holding Segment	(445)	(472)	6
Inter Segment Elimination	(686)	-	-
Group Total	(5,997)	782	-867

The manufacturing segment’s declined result before tax in YTD FY2020 versus YTD FY2019 was due to the lower revenue attainment from the overall reduced shipment volume which significantly impacted contribution. Lower fixed costs incurred in YTD FY2020 versus YTD FY2019 with the exception of depreciation and provisions for slow moving inventories, partially offset the lower contribution attained.

The property development segment’s improved result in YTD FY2020 was attained because it had only commenced profit recognition for the EmHub Project from the second quarter of FY2019 onwards, whilst the construction segment, whose operations within the Group began in the fourth quarter of FY2019, recorded a profit before tax of RM0.01 million.

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2020

B2. Financial review of the second quarter ended 30 June 2020 (“Q2 FY2020”) compared with the immediate preceding quarter ended 31 March 2020 (“Q1 FY2020”)

	Current Year Quarter Ended 30 June 2020	Immediate Preceding Quarter Ended 31 March 2020	Change %
	RM'000	RM'000	
Revenue	54,540	81,485	-33
Profit/(Loss) Before Interest and Tax	(3,409)	166	-2,153
Loss Before Tax	(4,708)	(1,289)	-265

With the MCO lockdown and CMCO restrictions hampering sales activities, the Group's revenue of RM54.54 million recorded in Q2 FY2020 was lower by RM26.95 million compared to its attainment in Q1 FY2020. This 33% decline was largely contributed by the manufacturing segment as there were lower shipment volumes registered in both domestic and export markets; it registered a revenue of RM47.03 million in Q2 FY2020 as compared to its Q1 FY2020 attainment of RM73.14 million. Meanwhile, the property development segment posted a decrease in revenue of RM1.09 million in Q2 FY2020 versus Q1 FY2020, whilst the construction segment registered a marginal increase in external revenue of RM0.26 million. No revenue was recorded in the investment holding segment.

The profit/(loss) before tax for the segments within the Group for Q2 FY2020 versus Q1 FY2020 were as follows:-

Breakdown – Profit/(Loss) Before Tax	Q2 FY2020	Q1 FY2020	Change %
	RM'000	RM'000	
Manufacturing Segment	(4,135)	(1,034)	-300
Property Development Segment	9	281	-97
Construction Segment	(49)	62	-179
Investment Holding Segment	(224)	(221)	-1
Inter Segment Elimination	(309)	(377)	18
Group Total	(4,708)	(1,289)	-265

The manufacturing segment's pre-tax result was severely impacted by the significantly lower shipment volume registered. This shortfall which impacted revenue, coupled with an increased usage of external rerolls and a metal price lag* loss in Q2 FY2020 compared to a metal price lag* gain in Q1 FY2020 resulted in a reduced contribution being earned. Fixed costs were lower in Q2 FY2020 versus Q1 FY2020 with the exception of depreciation, partially offset the lower contribution attained.

The property development segment's pre-tax result was adversely affected by lower sales attained, the disruption to the construction progress caused by the MCO and CMCO as well as an increase in staff costs. These were offset partially by lower other operating expenses in Q2 FY2020 compared to Q1 FY2020, whilst the construction segment incurred a marginally higher cost of sales.

**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*

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2020

B3. Commentary on Prospects

Given the continued downside risks to global and domestic growth, various governments have announced additional stimulus to curb further rises in unemployment and business failures. However, these fragile recovery efforts are being threatened by a renewed surge as the pandemic continues to peak in certain regions and returning in others.

Against this depressed market sentiment, the manufacturing segment for which the export portion of its shipments is approximately 73%, is actively navigating its business to minimise the operational and financial impacts whilst remaining committed to its longer-term growth strategy.

The Group's property development segment has welcomed Bank Negara Malaysia's decision to reduce the Overnight Policy Rate (“OPR”) to a historic low rate of 1.75% in July 2020. With the lower OPR, buyers will have lower barrier to financing which will aid in rejuvenating the real estate industry. At the same time, the segment has embarked on concerted efforts to strengthen its position through competitive pricing and cost rationalisation of the EmHub project. On the other hand, despite the relaxing of the MCO, the resumption of construction activities has been affected as the industry has been imposed with strict regulatory guidelines for construction workers. Additionally, vendors in the supply chain link are similarly impacted.

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 June 2020 RM'000	Year-To-Date 30 June 2020 RM'000
Interest income	(196)	(276)
Interest expense	1,462	2,933
Interest expense on lease liabilities	33	97
Amortisation of intangible assets	272	482
Allowance for inventory writedown	313	949
Depreciation		
- Property, plant and equipment	2,209	4,575
- Right-of-use assets	385	720
Foreign exchange loss/(gain)		
- Realised	(911)	280
- Unrealised	854	(1,397)
Net fair value loss on derivatives	(902)	247

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B6. Taxation

	Quarter ended		Year-To-Date	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	RM'000
Current Tax - current year	(471)	(981)	(1,895)	(1,444)
Deferred Taxation - Origination and reversal of temporary differences	876	504	1,271	528
	405	(477)	(624)	(916)

The effective tax rate of the Group for the period under review was lower than the statutory tax rate.

B7. Status of Corporate Proposals

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

B8. Group Borrowings

The Group's borrowings as at 30 June 2020 were as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loans	96,735	7,001	103,736
-Finance lease liabilities	263	124	387
-Revolving credit	-	66,353	66,353
-Trade lines	-	-	-
-Bridging loan	7,320	-	7,320
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	5	5
	104,318	73,483	177,801

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B9. Derivative Financial Instruments

As at 30 June 2020, 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	7,563	7,570
- Receivable	13,337	13,306

B10. Changes in Material Litigation

Not applicable.

B11. Dividend Payable

No dividend in respect of the current quarter under review has been declared.

B12. Earnings Per Share

	Quarter ended 30 June 2020	Quarter ended 30 June 2019	Year-To-Date 30 June 2020	Year-To-Date 30 June 2019
Net profit / (loss) attributable to shareholders (RM’000)	(4,303)	1,047	(6,621)	(134)
Weighted average number of ordinary shares in issue (000)	134,331	134,331	134,331	134,331
Basic earnings / (loss) per share (sen)	(3.20)	0.78	(4.93)	(0.10)

B13. 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 25 August 2020.

BY ORDER OF THE BOARD
25 August 2020