



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

ALCOM GROUP BERHAD (201701047083 (1261259-V))**Condensed Consolidated Statement of Comprehensive Income for the 2nd quarter ended 30 June 2022 (Unaudited)**

	Quarter ended 30 June 2022 RM'000	Quarter ended 30 June 2021 RM'000	6 months ended 30 June 2022 RM'000	6 months ended 30 June 2021 RM'000
Revenue	255,445	145,714	508,726	285,542
Expenses excluding tax	(229,515)	(135,337)	(454,588)	(264,681)
Other operating income	449	706	808	965
Profit before tax	26,379	11,083	54,946	21,826
Taxation	(6,541)	(3,207)	(13,671)	(6,552)
Net profit	19,838	7,876	41,275	15,274
Other comprehensive expense, net of tax : <u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial loss on gratuity scheme	-	-	-	-
Taxation relating to component of other comprehensive expense	-	-	-	-
Other comprehensive expense, net of tax	-	-	-	-
Total comprehensive income	19,838	7,876	41,275	15,274
Attributable to:				
- Shareholders of the Company	19,838	7,876	41,275	15,274
	19,838	7,876	41,275	15,274
Basic earnings per ordinary share (sen)	14.77	5.86	30.73	11.37

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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 2022 (Unaudited)**

	UNAUDITED As At 30 June 2022 RM'000	AUDITED As At 31 December 2021 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	49,740	52,875
Right-of-use assets	15,719	16,248
Intangible assets	2,496	2,558
Deferred tax assets	3,354	3,399
	<u>71,309</u>	<u>75,080</u>
CURRENT ASSETS		
Inventories	310,492	300,783
Contract assets	7,142	3,233
Contract costs	14,344	17,511
Trade receivables	100,281	53,272
Other receivables and prepayments	16,779	20,362
Tax recoverable	1,887	2,304
Derivative financial instruments	48	512
Cash and bank balances	68,873	64,682
	<u>519,846</u>	<u>462,659</u>
TOTAL ASSETS	<u>591,155</u>	<u>537,739</u>
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	92,411	51,136
Total Equity	<u>197,189</u>	<u>155,914</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	118,506	136,246
Provision for gratuity scheme	3,934	3,756
Lease liabilities	1,934	2,422
Deferred tax liabilities	810	1,116
	<u>125,184</u>	<u>143,540</u>
CURRENT LIABILITIES		
Loans and borrowings	99,253	105,181
Lease liabilities	1,372	1,297
Provision for gratuity scheme	634	1,014
Trade payables	112,774	70,976
Other payables and accruals	26,110	21,131
Contract liabilities	16,848	35,253
Provision for taxation	11,791	3,433
	<u>268,782</u>	<u>238,285</u>
TOTAL LIABILITIES	<u>393,966</u>	<u>381,825</u>
TOTAL EQUITY AND LIABILITIES	<u>591,155</u>	<u>537,739</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 2021 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 2 quarters ended
30 June 2022 (Unaudited)

	<u>Non-distributable</u>	<u>Distributable</u>	
	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2022	104,778	51,136	155,914
<u>Total comprehensive income:</u>			
Profit for the period	-	41,275	41,275
Total comprehensive income for the period	-	41,275	41,275
Balance as at 30 June 2022	104,778	92,411	197,189
Balance as at 1 January 2021	104,778	18,676	123,454
<u>Total comprehensive income:</u>			
Profit for the period	-	15,274	15,274
Total comprehensive income for the period	-	15,274	15,274
Balance as at 30 June 2021	104,778	33,950	138,728

(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 2021 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))

Condensed Consolidated Statement of Cash Flows for the 2 quarters ended 30 June 2022 (Unaudited)

	6 months ended 30 June 2022 RM'000	6 months ended 30 June 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	54,946	21,826
Adjustments for:-		
Allowance for inventory write-down	2,759	126
Amortisation of intangible assets	62	96
Depreciation of:		
- Property, plant and equipment	4,374	4,418
- ROU Assets	844	776
Gain on disposal of property, plant and equipment	(249)	(3)
Interest expenses	5,125	2,751
Interest income	(306)	(106)
Net fair value loss on forward foreign exchange contracts	463	420
Provision for gratuity scheme	177	191
Net impairment gain on financial assets	(18)	(104)
Unrealised foreign exchange gain	(541)	(292)
	67,636	30,099
Changes in Working Capital:-		
Inventories	(12,467)	(48,119)
Receivables	(42,336)	(15,169)
Payables	46,157	(21,331)
Contract assets	(3,909)	(79)
Contract costs	3,167	5,423
Contract liabilities	(18,405)	16,883
Cash generated from/(used in) operations	39,843	(32,293)
Gratuity paid	(333)	(234)
Interest paid	(79)	(49)
Tax paid	(5,158)	(2,703)
Net cash from/(used in) operating activities	34,273	(35,279)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- Property, plant and equipment	(1,319)	(1,258)
Proceed from disposal of:		
- Property, plant and equipment	271	3
Interest income received	297	106
Net cash used in investing activities	(751)	(1,163)
CASH FLOWS FROM FINANCING ACTIVITY		
Changes in deposits pledged	(21)	(40)
Net (repayment)/drawdown of loans and borrowings	(23,669)	44,359
Payment of lease liabilities	(728)	(688)
Interest paid	(4,951)	(4,162)
Net cash (used in)/from financing activities	(29,369)	39,469
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	4,153	3,027
Foreign exchange differences	17	73
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	63,470	46,921
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	67,640	50,021

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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 2021. 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 2021.

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 2021 except for the adoption of the following standards, amendments to published standards and interpretations to existing standards with effect from 1 January 2022:

- Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

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 of the Company.

At the date of authorisation of these interim financial statements, the following accounting standards, interpretations and amendments of the MFRSs have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and by the Company:-

- (i) MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023**
- MFRS 17, Insurance Contracts*
 - Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*

A2. Accounting policies (continued)

- (i) ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023 (continued)***
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
 - Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
 - Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- (ii) ***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments once they become effective, except for those marked as (“**”) which are not applicable to the Group and to the Company.

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

A3. Audit Report of the preceding annual Financial Statements

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

A4. Comments about Seasonal or Cyclical Factors

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

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

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

A6. Material changes in estimates

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

A7. Debt and Equity Securities

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

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A8. Dividends paid

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

A9. Segmental information

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

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

Segmental earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the 6-month period ended 30 June 2022 were as follows:-

	Manufacturing	Property Development	Construction	Investment Holding	Inter Segment Elimination	Group
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<i>Segment EBITDA</i>	23,356	37,298	5,867	(676)	(800)	65,045
Included in the measure of segment EBITDA are:						
- Revenue from external customers	371,876	127,084	9,765	-	-	508,725
- Allowance for inventory write-down	(2,759)	-	-	-	-	(2,759)

A10. Valuation of Property, Plant and Equipment

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

A11. Capital Commitments

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

	Group
	30 June 2022
	RM'000
- Contracted	3,272
- Not Contracted	1,094
Total Capital Commitment	<u>4,366</u>

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

B1. Review of Group Performance

Financial review of the second quarter ended 30 June 2022 (“Q2 FY2022”) compared with the immediate preceding quarter ended 31 March 2022 (“Q1 FY2022”)

	Q2 FY2022	Q1 FY2022	Change %
	RM'000	RM'000	
Revenue	255,445	253,281	1
Profit Before Interest and Tax	28,809	30,955	-7
Profit Before Tax	26,379	28,567	-8

The Group recorded a revenue of RM255.45 million in Q2 FY2022 which was higher by RM2.17 million compared to the revenue of RM253.28 million registered in Q1 FY2022. This 1% increase was largely attributable to the property development segment.

The property development segment increased its revenue to RM72.33 million in Q2 FY2022 for its maiden EmHub project, an increase of RM17.57 million as compared to Q1 FY2022’s revenue of RM54.76 million. This increase was due mainly to the increase in the number of units sold and the higher percentage of completion as construction progress was expedited, resulting in a higher percentage of revenue being recognized during Q2 FY2022. For the construction segment, it recorded a higher external revenue of RM5.52 million compared with Q1 FY2022’s external revenue of RM4.25 million due mainly to quicker site progress at its roofing and cladding projects.

The manufacturing segment registered a revenue of RM177.60 million in Q2 FY2022 compared to its Q1 FY2022’s attainment of RM194.28 million. This decline was a result of a drop in shipment volumes of the fin and specialty products impacting mainly export destinations. No revenue was recorded in the investment holding segment.

The Group registered a profit before tax of RM26.38 million in Q2 FY2022 as compared to RM28.57 million in Q1 FY2022. The segmental breakdown was as follows:-

	Q2 FY2022	Q1 FY2022	Change %
	RM'000	RM'000	
Manufacturing Segment	4,216	12,398	-66
Property Development Segment	19,811	14,436	37
Construction Segment	2,788	2,773	1
Investment Holding Segment	(336)	(340)	1
Inter-Segment Elimination	(100)	(700)	86
Group Total	26,379	28,567	-8

The manufacturing segment’s pre-tax result was lower by RM8.18 million mainly attributable to the lower revenue and higher energy costs, packaging costs, repairs and maintenance expenses as well as general provisions requirements for slow moving inventories.

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B1. Review of Group Performance (continued)

Financial review of the second quarter ended 30 June 2022 (“Q2 FY2022”) compared with the immediate preceding quarter ended 31 March 2022 (“Q1 FY2022”) (continued)

The property development segment’s pre-tax profit had increased by 37% mainly attributable to higher sales attained and the accelerated construction progress which have led to the higher recognition of progressive profits during Q2 FY2022, coupled with lower administrative expenses, marketing expenses and interest costs incurred during Q2 FY2022. On the other hand, the construction segment’s pre-tax profit was mainly generated from the Group’s internal EmHub project which saw rapid site progress in Q2 FY2022.

B2. Financial review of the second quarter ended 30 June 2022 (“Q2 FY2022”) compared with the corresponding quarter in Financial Year 2021 (“Q2 FY2021”)

	Q2 FY2022	Q2 FY2021	Change %
	RM’000	RM’000	
Revenue	255,445	145,714	75
Profit Before Interest and Tax	28,809	12,396	132
Profit Before Tax	26,379	11,083	138

The Group’s revenue for Q2 FY2022 increased by 75% compared to Q2 FY2021. Of the RM255.45 million revenue recorded in Q2 FY2022, approximately 70% was generated from the manufacturing segment and the remaining 30% was generated from its property development and construction segments. These percentages in Q2 FY2021 were 78% and 22% respectively. No revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue in Q2 FY2022 of RM177.60 million, an increase of 56% as compared to Q2 FY2021 which registered a revenue of RM113.93 million. This increase was attributable to base metal costs which trended higher as well as increased shipments. Base metal costs which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was 50% higher in Q2 FY2022 as compared to Q2 FY2021 whilst the increase in shipment volume was 5% mainly in the exports to India, Asia and Europe markets. In addition, revenue was also buoyed by a weaker Ringgit Malaysia vis-à-vis the USD currency; the Ringgit Malaysia was approximately 5% weaker in Q2 FY2022 versus Q2 FY2021.

The property development segment posted a revenue of RM72.33 million in Q2 FY2022, which was a significant increase of RM41.21 million as compared to RM31.12 million attained in Q2 FY2021 for its maiden EmHub project. This substantial increase was mainly attributable to the increase in the number of units sold due to higher demand and thanks to the support of a larger pool of end-financing bankers who had provided financing to the end-buyers in the current quarter as compared with Q2 FY2021. In addition, the steady progress in construction works in the current quarter under review has also aided the revenue increase. Structural works have reached level 6 of Hub 2 in Q2 FY2022; marking an important milestone towards the completion of the second phase of the 2 phases of the project.

Meanwhile, the construction segment’s external revenue registered a substantial increase from RM0.67 million in Q2 FY2021 to RM5.52 million in Q2 FY2022, due mainly to the implementation of several new roofing projects.

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B2. Financial review of the second quarter ended 30 June 2022 (“Q2 FY2022”) compared with the corresponding quarter in Financial Year 2021 (“Q2 FY2021”) (continued)

The Group registered a profit before tax of RM26.38 million in Q2 FY2022 as compared to Q2 FY2021's profit before tax of RM11.08 million. The segmental breakdown was as follows:-

	Q2 FY2022	Q2 FY2021	Change %
	RM'000	RM'000	
Manufacturing Segment	4,216	3,869	9
Property Development Segment	19,811	6,706	195
Construction Segment	2,788	1,863	50
Investment Holding Segment	(336)	(240)	-40
Inter-Segment Elimination	(100)	(1,115)	91
Group Total	26,379	11,083	138

The manufacturing segment registered a profit before tax in Q2 FY2022 of RM4.22 million versus Q2 FY2021's profit before tax of RM3.87 million. The higher shipment volume coupled with a higher margin product mix have contributed to this improved result albeit there were increases in freight costs, energy costs, packaging costs, repairs and maintenance expenses as well as higher general provision for slow moving inventories.

The property development segment recorded a surge in profit before tax of 195% to RM19.81 million in Q2 FY2022 compared with Q1 FY2021's profit before tax of RM6.71 million. This increase was due mainly to the higher sales attained at its EmHub project and the substantial construction progress in the current quarter under review, coupled with prudent cost controls and lower marketing expenses, net of higher interest costs and administrative expenses as compared to Q2 FY2021. For the construction segment, it recorded a profit before tax of RM2.79 million in Q2 FY2022 which represented an increase of 50% as compared to Q2 FY2021. This increase was due to the profits recognized by its roofing and cladding business as well as from the construction progress for the Group's internal EmHub project.

B3. Financial review of Year-To-Date ended 30 June 2022 (“YTD FY2022”) versus Year-To-Date ended 30 June 2021 (“YTD FY2021”)

	YTD FY2022	YTD FY2021	Change %
	RM'000	RM'000	
Revenue	508,726	285,542	78
Profit Before Interest and Tax	59,765	24,470	144
Profit Before Tax	54,946	21,826	152

The Group's revenue for YTD FY2022 surged by RM223.19 million or 78% to RM508.73 million as compared to YTD FY2021. Of the RM508.73 million revenue, RM371.88 million was attributable from the manufacturing segment with the remaining RM136.85 million external revenue being generated from the property development and construction segments. No revenue was recorded in the investment holding segment.

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B3. Financial review of Year-To-Date ended 30 June 2022 (“YTD FY2022”) versus Year-To-Date ended 30 June 2021 (“YTD FY2021”) (continued)

The manufacturing segment recorded an increase of RM153.30 million in revenue to RM371.88 million for YTD FY2022 as compared to YTD FY2021’s attainment of RM218.58 million. This 70% increase was the result of higher shipment volumes of the fin product mainly in export markets. In addition, higher base metal costs aided this revenue increase; it was approximately 47% higher for YTD FY2022 versus YTD FY2021. This was further bolstered by a weaker Ringgit Malaysia vis-à-vis the USD currency; the Ringgit Malaysia was approximately 4% weaker in YTD FY2022 versus YTD FY2021.

The property development segment registered a RM62.27 million increase in revenue for YTD FY2022 when compared to YTD FY2021’s revenue of RM64.81 million. This 96% increase was mainly attributable to a twofold increase in the number of units sold as the bulk of the sales in the current period had come from Hub 2 (the second phase of its EmHub project) which was launched and became available for sale in the second quarter of 2021.

The construction segment posted a substantial increase in external revenue from RM2.15 million in YTD FY2021 to RM9.77 million in YTD FY2022, due mainly to the accelerated construction progress at both its existing and new roofing projects.

The Group registered a profit before tax of RM54.95 million for YTD FY2022 as compared to YTD FY2021’s profit before tax of RM21.83 million. The segmental breakdown was as follows:-

	YTD FY2022	YTD FY2021	Change %
	RM’000	RM’000	
Manufacturing Segment	16,614	5,055	229
Property Development Segment	34,247	15,441	122
Construction Segment	5,561	3,599	55
Investment Holding Segment	(676)	(472)	-43
Inter Segment Elimination	(800)	(1,797)	55
Group Total	54,946	21,826	152

The manufacturing segment achieved a profit before tax of RM16.61 million in YTD FY2022 versus YTD FY2021’s profit before tax of RM5.06 million. This substantially improved result was contributed from the significantly higher revenue and a higher margin product mix. These were partially offset by higher freight costs, repairs and maintenance expenses, energy costs, packaging costs as well as higher general provision for slow moving inventories.

The property development segment’s improved result in YTD FY2022 was attained because of significantly higher sales and the substantial construction progress achieved which have enabled higher progressive profits to be recognized, coupled with lower marketing expenses but offset partially by higher interest costs at its EmHub project. Meanwhile, the construction segment recorded a 55% increase in profit before tax to RM5.56 million in YTD FY2022 compared with YTD FY2021, due largely to the accelerated construction progress at its roofing projects and also at the Group’s internal EmHub project.

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B4. Commentary on Prospects

The global economic recovery has been impacted by the Russia-Ukraine war and the strict containment measures in China due to their zero-Covid policy. Rising inflationary pressures and the lingering supply chain disruptions have led to Central Banks across the world to increase interest rates to combat inflation.

Against this backdrop, the manufacturing segment which is largely export oriented and benefitting from the strengthening of the USD currency, will continue to actively navigate its business whilst remaining committed to its longer-term growth strategy.

The traction attained by the Group’s property development segment is expected to continue through competitive pricing, aggressive digital marketing campaigns and value engineering activities, despite market challenges such as inflation and rising interest rates. The healthy uptick in sales achieved by this segment is an encouraging sign of broad-based economic recovery. The better than expected Gross Domestic Product growth of 8.9% registered by Malaysia in the second quarter of 2022 bodes well for the Malaysian property market.

B5. Variance of Actual Profit from Forecast Profit

Not applicable.

B6. Profit for the Period under Review

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

	Second Quarter ended 30 June 2022 RM’000	Year-to-date 30 June 2022 RM’000
Interest income	(124)	(306)
Interest expense	2,516	5,046
Interest expense on lease liabilities	38	79
Amortisation of intangible assets	16	62
Allowance for inventory write-down	1,511	2,759
Reversal of doubtful debts	(18)	(18)
Depreciation of:		
- Property, plant and equipment	2,206	4,374
- Right-of-use assets	426	844
Foreign exchange loss/(gain):		
- Realised	145	90
- Unrealised	(396)	(542)
Net fair value loss on derivatives	302	464
Gain on disposal of property, plant and equipment	(146)	(249)

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B7. Taxation

	Second Quarter ended		Year-to-date	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	(6,935)	(3,502)	(13,933)	(7,192)
Deferred Taxation				
- Origination and reversal of temporary differences	394	295	262	640
	(6,541)	(3,207)	(13,671)	(6,552)

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

B8. Status of Corporate Proposals

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

B9. Group Borrowings

The Group's borrowings as at 30 June 2022 were as follows:

	Long-Term RM'000	Short-Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loans	55,012	7,001	62,013
-Finance lease liabilities	351	218	569
-Revolving credit	18,143	55,000	73,143
-Trade lines	-	37,028	37,028
-Bridging loan	45,000	-	45,000
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	6	6
	118,506	99,253	217,759

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B10. Derivative Financial Instruments

As at 30 June 2022, 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	51,556	51,566
- Receivable	81,477	81,439

B11. Changes in Material Litigation

Not applicable.

B12. Dividend Payable

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

B13. Earnings Per Share

	Second Quarter ended 30 June 2022	Second Quarter ended 30 June 2021	Year-to-date 30 June 2022	Year-to-date 30 June 2021
Net profit attributable to shareholders (RM’000)	19,838	7,876	41,275	15,274
Weighted average number of ordinary shares in issue (’000)	134,331	134,331	134,331	134,331
Basic earnings per share (sen)	14.77	5.86	30.73	11.37

B14. Authorisation of Issue

The interim financial statements were authorised for issue by the Board of Directors of AGB in accordance with a resolution of the Directors passed on 26 August 2022.

BY ORDER OF THE BOARD
 26 August 2022