



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**ALCOM GROUP BERHAD (201701047083 (1261259-V))**

**Condensed Consolidated Statement of Comprehensive Income for the 3rd quarter ended 30 September 2022 (Unaudited)**

	Quarter ended 30 September 2022 RM'000	Quarter ended 30 September 2021 RM'000	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
Revenue	255,055	130,146	763,781	415,688
Expenses excluding tax	(230,871)	(121,520)	(685,459)	(386,201)
Other operating income	1,011	765	1,819	1,730
Profit before tax	25,195	9,391	80,141	31,217
Taxation	(6,829)	(2,510)	(20,500)	(9,062)
Net profit	18,366	6,881	59,641	22,155
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	18,366	6,881	59,641	22,155
Profit attributable to:				
- Owners of the Company	18,309	6,881	59,584	22,155
- Non-Controlling Interests	57	-	57	-
	18,366	6,881	59,641	22,155
Total comprehensive income attributable to:				
- Owners of the Company	18,309	6,881	59,584	22,155
- Non-Controlling Interests	57	-	57	-
	18,366	6,881	59,641	22,155
Basic earnings per ordinary share (sen)	13.63	5.12	44.36	16.49

**(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 September 2022 (Unaudited)**

	<b>UNAUDITED</b> <b>As At 30 September 2022</b> <b>RM'000</b>	<b>AUDITED</b> <b>As At 31 December 2021</b> <b>RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	51,309	52,875
Right-of-use assets	15,382	16,248
Intangible assets	2,025	2,558
Deferred tax assets	3,083	3,399
	<u>71,799</u>	<u>75,080</u>
<b>CURRENT ASSETS</b>		
Inventories	245,409	300,783
Contract assets	8,663	3,233
Contract costs	12,890	17,511
Trade receivables	130,022	53,272
Other receivables and prepayments	11,282	20,362
Tax recoverable	2,011	2,304
Derivative financial instruments	-	512
Cash and bank balances	65,631	64,682
	<u>475,908</u>	<u>462,659</u>
<b>TOTAL ASSETS</b>	<u><u>547,707</u></u>	<u><u>537,739</u></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	104,778	104,778
Retained earnings	107,360	51,136
Equity attributable to owners of the Company	<u>212,138</u>	<u>155,914</u>
Non-controlling interests	189	-
<b>TOTAL EQUITY</b>	<u>212,327</u>	<u>155,914</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	83,085	136,246
Provision for gratuity scheme	4,022	3,756
Lease liabilities	1,668	2,422
Deferred tax liabilities	1,888	1,116
	<u>90,663</u>	<u>143,540</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	112,908	105,181
Lease liabilities	1,365	1,297
Provision for gratuity scheme	449	1,014
Trade payables	54,781	70,976
Other payables and accruals	29,250	21,131
Contract liabilities	34,541	35,253
Derivative financial instruments	1,161	-
Provision for taxation	10,262	3,433
	<u>244,717</u>	<u>238,285</u>
<b>TOTAL LIABILITIES</b>	335,380	381,825
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>547,707</u></u>	<u><u>537,739</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 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 3 quarters ended**  
**30 September 2022 (Unaudited)**

	← Attributable to Owners of the Company →			Non- controlling interests RM'000	Total equity RM'000
	Non- Distributable	Distributable	Total		
	Share capital RM'000	Retained earnings RM'000	RM'000		
<b>Balance as at 1 January 2022</b>	104,778	51,136	155,914	-	155,914
Recognition of non-controlling interests upon changes in ownership interest in a subsidiary	-	-	-	132	132
<u>Total comprehensive income:</u>					
Profit for the period	-	59,584	59,584	57	59,641
Total comprehensive income for the period	-	59,584	59,584	57	59,641
Dividend paid	-	(3,360)	(3,360)	-	(3,360)
<b>Balance as at 30 September</b>	104,778	107,360	212,138	189	212,327
<b>Balance as at 1 January 2021</b>	104,778	18,676	123,454	-	123,454
<u>Total comprehensive income:</u>					
Profit for the period	-	22,155	22,155	-	22,155
Total comprehensive income for the period	-	22,155	22,155	-	22,155
<b>Balance as at 30 Sept 2021</b>	104,778	40,831	145,609	-	145,609

(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 GROUQ BERHAD (201701047083 (1261259-V))**
**Condensed Consolidated Statement of Cash Flows for the 3 quarters ended 30 September 2022 (Unaudited)**

	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	80,142	31,217
Adjustments for:-		
Allowance for inventory write-down	1,138	371
Amortisation of intangible assets	75	141
Depreciation of:		
- Property, plant and equipment	6,580	6,616
- Right-of-use assets	1,277	1,166
Gain on disposal of property, plant and equipment	(274)	(3)
Loss on disposal of subsidiary	455	-
Interest expenses	7,725	5,706
Interest expenses on lease liabilities	113	-
Interest income	(582)	(222)
Net fair value loss on forward foreign exchange contracts	1,673	381
Provision for gratuity scheme	266	286
Net reversal of impairment of financial assets	(39)	(197)
Reversal of impairment of property, plant and equipment	(29)	-
Unrealised foreign exchange gain	(2,564)	(210)
	<b>95,956</b>	<b>45,252</b>
Changes in Working Capital:-		
Inventories	54,236	(56,792)
Receivables	(64,572)	(19,113)
Payables	(8,598)	(25,880)
Contract assets	(5,429)	265
Contract costs	4,621	5,163
Contract liabilities	(713)	21,010
Cash generated from/(used in) operations	<b>75,501</b>	<b>(30,095)</b>
Gratuity paid	(565)	(234)
Tax paid	(12,306)	(3,489)
Net cash from/(used in) operating activities	<b>62,630</b>	<b>(33,818)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- Property, plant and equipment	(5,094)	(2,644)
- Intangible assets	(1)	(14)
Proceeds from disposal of:		
- Property, plant and equipment	383	3
- Subsidiary	150	-
Interest income received	573	222
Net cash used in investing activities	<b>(3,989)</b>	<b>(2,433)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Changes in deposits pledged	(21)	(64)
Dividend paid	(3,358)	-
Net (repayment)/drawdown of loans and borrowings	(45,434)	49,753
Payment of lease liabilities	(1,206)	(1,102)
Interest paid	(7,711)	(6,344)
Net cash (used in)/from financing activities	<b>(57,730)</b>	<b>42,243</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>911</b>	<b>5,992</b>
Foreign exchange differences	17	73
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>63,470</b>	<b>46,921</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>64,398</b>	<b>52,986</b>

(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\*

## **ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))**

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2022

### **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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Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2022

### A8. Dividends paid

A first and final single-tier dividend of 2.5 sen per share for the financial year ended 31 December 2021 was paid on 29 July 2022.

### A9. Segmental information

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

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

Segmental earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the 9-month period ended 30 September 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>
Segment EBITDA	27,080	60,528	8,142	(895)	446	95,301
Included in the measure of segment EBITDA are:						
- Revenue from external customers	537,586	211,175	15,020	-	-	763,781
- Allowance for inventory write-down	(1,138)	-	-	-	-	(1,138)

### 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:

	<b>Group</b>
	<b>30 September 2022</b>
	<b>RM'000</b>
- Contracted	3,447
- Not Contracted	1,979
Total Capital Commitment	<u>5,426</u>



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### 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

On 1 July 2022, a wholly-owned subsidiary of the Company, Aluminium Company of Malaysia Berhad (“ALCOM”) had diluted its 100% equity interest held to 80% by disposing 150,000 ordinary shares representing 20% of equity interest in Alcom Dach&Wand Sdn Bhd (“ADW”) for a total cash consideration of RM150,000 pursuant to the Second Share Sale Agreement dated 2 July 2020 entered into between ALCOM (as the Vendor) and James Lim Cheong Sing and Yee Po Wai (as the Purchasers). The said disposal does not have any material effect on the net assets and earnings per share of the Company for the financial period under review.

Other than the above, there were no changes in the composition of the Group during the quarter under review.

### A14. Changes in contingent liabilities or contingent assets

The contingent liabilities as at 30 September 2022 were as follows:

<u>Unsecured contingent liabilities</u>	<b>Company 30 September 2022 RM'000</b>
Corporate guarantee given to financial institutions in respect of banking facilities granted to subsidiaries	365,432

### A15. Related party disclosures

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

	<b>Group</b>	
	<b>Quarter ended 30 September 2022</b>	<b>Year-to-date 30 September 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales of Finished Goods	(43)	350

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

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

**B1. Review of Group Performance**

**Financial review of the third quarter ended 30 September 2022 (“Q3 FY2022”) compared with the immediate preceding quarter ended 30 June 2022 (“Q2 FY2022”)**

	Q3 FY2022	Q2 FY2022	Change %
	RM'000	RM'000	
Revenue	255,055	255,445	-0.2
Profit Before Interest and Tax	27,632	28,809	-4
Profit Before Tax	25,195	26,379	-4

The Group recorded a revenue of RM255.06 million in Q3 FY2022 which was slightly lower as compared to the revenue of RM255.45 million registered in Q2 FY2022. This marginal decrease was largely attributable to the manufacturing segment.

The manufacturing segment registered a revenue of RM165.71 million in Q3 FY2022 compared to its Q2 FY2022's attainment of RM177.60 million. This decline was a result of a drop in shipment volume and lower base metal price. Shipment volume was 4% lower mainly due to the decline in the exports of coated fin whilst base metal price which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was also lower by 22% in Q3 FY2022 as compared to Q2 FY2022. No revenue was recorded in the investment holding segment.

The property development segment increased its revenue to RM84.09 million in Q3 FY2022 for its maiden EmHub project, an increase of RM11.76 million as compared to Q2 FY2022's revenue of RM72.33 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 Q3 FY2022. For the construction segment, it recorded a slightly lower external revenue of RM5.25 million compared with Q2 FY2022's external revenue of RM5.52 million, mainly attributable to its roofing and cladding projects.

The Group registered a profit before tax of RM25.20 million in Q3 FY2022 as compared to RM26.38 million in Q2 FY2022. The segmental breakdown was as follows:-

	Q3 FY2022	Q2 FY2022	Change %
	RM'000	RM'000	
Manufacturing Segment	85	4,216	-98
Property Development Segment	22,010	19,811	11
Construction Segment	2,068	2,788	-26
Investment Holding Segment	(214)	(336)	36
Inter-Segment Elimination	1,246	(100)	1,346
Group Total	25,195	26,379	-4

The manufacturing segment's pre-tax result was lower by RM4.13 million mainly attributable to the lower revenue, reduced contribution due to the lower margin product mix and higher energy costs in Q3 FY2022. This was partially offset by good control of overall costs and the reversal of provision for slow moving inventories.

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### B1. Review of Group Performance (continued)

**Financial review of the third quarter ended 30 September 2022 (“Q3 FY2022”) compared with the immediate preceding quarter ended 30 June 2022 (“Q2 FY2022”) (continued)**

The property development segment’s pre-tax profit had increased by 11% mainly attributable to higher sales attained and the accelerated construction progress which have led to the higher recognition of progressive profits during Q3 FY2022, net of higher administrative expenses and marketing expenses incurred during Q3 FY2022. On the other hand, the construction segment’s pre-tax profit was mainly generated from the Group’s internal EmHub project which saw Hub 1 (the first phase of its EmHub project) nearing completion.

### B2. Financial review of the third quarter ended 30 September 2022 (“Q3 FY2022”) compared with the corresponding quarter in Financial Year 2021 (“Q3 FY2021”)

	Q3 FY2022	Q3 FY2021	Change %
	RM’000	RM’000	
Revenue	255,055	130,146	96
Profit Before Interest and Tax	27,632	12,230	126
Profit Before Tax	25,195	9,391	168

The Group’s revenue for Q3 FY2022 increased by 96% compared to Q3 FY2021. Of the RM255.06 million revenue recorded in Q3 FY2022, approximately 65% was generated from the manufacturing segment and the remaining 35% was generated from its property development and construction segments. These percentages in Q3 FY2021 were 77% and 23% respectively. No revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue in Q3 FY2022 of RM165.71 million, an increase of 66% as compared to Q3 FY2021 which registered a revenue of RM99.68 million. This increase was attributable to base metal price which trended higher as well as increased shipments. Base metal price which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was 6% higher in Q3 FY2022 as compared to Q3 FY2021 whilst the increase in shipment volume was 31% mainly in the exports to India, Europe, United States and Thailand markets. In addition, revenue was also buoyed by a weaker Ringgit Malaysia vis-à-vis the USD currency; the Ringgit Malaysia was approximately 6% weaker in Q3 FY2022 versus Q3 FY2021.

The property development segment posted a revenue of RM84.09 million in Q3 FY2022, which was a significant increase of RM54.03 million as compared to RM30.06 million attained in Q3 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 coupled with effective digital marketing efforts. In addition, the steady progress in construction works in the current quarter under review has also aided the revenue increase. Structural works have reached the highest floor of Hub 2 and finishing works were in progress in Q3 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 RM0.41 million in Q3 FY2021 to RM5.26 million in Q3 FY2022, due mainly to the implementation of several new roofing projects.

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**B2. Financial review of the third quarter ended 30 September 2022 (“Q3 FY2022”) compared with the corresponding quarter in Financial Year 2021 (“Q3 FY2021”) (continued)**

The Group registered a profit before tax of RM25.20 million in Q3 FY2022 as compared to Q3 FY2021's profit before tax of RM9.39 million. The segmental breakdown was as follows:-

	Q3 FY2022	Q3 FY2021	Change %
	RM'000	RM'000	
Manufacturing Segment	85	4,727	-98
Property Development Segment	22,010	4,059	442
Construction Segment	2,068	1,284	61
Investment Holding Segment	(214)	(233)	8
Inter-Segment Elimination	1,246	(446)	379
Group Total	25,195	9,391	168

The manufacturing segment registered a profit before tax in Q3 FY2022 of RM0.09 million versus Q3 FY2021's profit before tax of RM4.73 million. Despite the increase in revenue, profit was lower due to the lower margin product mix and the increase in direct costs, mainly natural gas costs, electricity costs, packaging costs, paint costs as well as higher freight costs.

The property development segment recorded a surge in profit before tax of 442% to RM22.01 million in Q3 FY2022 compared with Q3 FY2021's profit before tax of RM4.06 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 interest cost, despite of higher administrative expenses and marketing expenses as compared to Q3 FY2021. For the construction segment, it recorded a profit before tax of RM2.07 million in Q3 FY2022 which represented an increase of 61% as compared to Q3 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 September 2022 (“YTD FY2022”) versus Year-To-Date ended 30 September 2021 (“YTD FY2021”)**

	YTD FY2022	YTD FY2021	Change %
	RM'000	RM'000	
Revenue	763,781	415,688	84
Profit Before Interest and Tax	87,397	36,701	138
Profit Before Tax	80,141	31,217	157

The Group's revenue for YTD FY2022 surged by RM348.09 million or 84% to RM763.78 million as compared to YTD FY2021. Of the RM763.78 million revenue, RM537.59 million was attributable from the manufacturing segment with the remaining RM226.19 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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Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2022

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

The manufacturing segment recorded an increase of RM219.33 million in revenue to RM537.59 million for YTD FY2022 as compared to YTD FY2021’s attainment of RM318.26 million. This 69% increase was the result of higher shipment volumes of the fin product mainly in export markets. In addition, higher base metal price aided this revenue increase; it was approximately 25% 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 5% weaker in YTD FY2022 versus YTD FY2021.

The property development segment registered a RM116.31 million increase in revenue to RM211.18 million for YTD FY2022 when compared to YTD FY2021’s revenue of RM94.87 million. This 123% 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). In addition, the impressive physical progress of both Hub 1 and Hub 2 has gained the interest and confidence of the general public and this has attracted many buyers.

The construction segment posted a substantial increase in external revenue from RM2.56 million in YTD FY2021 to RM15.02 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 RM80.14 million for YTD FY2022 as compared to YTD FY2021’s profit before tax of RM31.22 million. The segmental breakdown was as follows:-

	YTD FY2022	YTD FY2021	Change %
	RM’000	RM’000	
Manufacturing Segment	16,699	9,781	71
Property Development Segment	56,258	19,500	189
Construction Segment	7,628	4,884	56
Investment Holding Segment	(890)	(705)	-26
Inter Segment Elimination	446	(2,243)	120
Group Total	80,141	31,217	157

The manufacturing segment achieved a profit before tax of RM16.70 million in YTD FY2022 versus YTD FY2021’s profit before tax of RM9.78 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, paint costs as well as higher general provision for slow moving inventories and customer complaints.

The property development segment attained a profit before tax of RM56.26 million in YTD FY2022 compared with YTD FY2021’s profit before tax of RM19.50 million. This notable increase of 189% was due mainly to significantly higher sales and the substantial construction progress achieved which have enabled higher progressive profits to be recognized, coupled with slightly lower marketing expenses but offset partially by higher interest costs and administrative expenses at its EmHub project. Meanwhile, the construction segment recorded a 56% increase in profit before tax to RM7.63 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 outlook remains uncertain due to a unique mix of headwinds, including from Russia’s invasion of Ukraine, interest rate hikes to contain inflation, and lingering pandemic effects such as China’s lockdowns.

However, exports of manufacturing products stayed resilient, with growth to remain robust in the near term and the manufacturing segment will continue to actively navigate its business whilst remaining committed to its long-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 in line with expectations, with completion targeted in the first half of 2023. The better than expected Gross Domestic Product growth of 14.2% registered by Malaysia in the third 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):

	<b>Third Quarter ended 30 September 2022 RM’000</b>	<b>Year-to-date 30 September 2022 RM’000</b>
Interest income	(276)	(582)
Interest expense	2,679	7,725
Interest expense on lease liabilities	34	113
Amortisation of intangible assets	13	75
(Reversal of)/allowance for inventory write-down	(1,621)	1,138
Reversal of doubtful debts	(21)	(39)
Depreciation of:		
- Property, plant and equipment	2,207	6,580
- Right-of-use assets	433	1,277
Foreign exchange loss/(gain):		
- Realised	550	640
- Unrealised	(2,023)	(2,564)
Net fair value loss on derivatives	1,200	1,664
Gain on disposal of property, plant and equipment	(25)	(274)
Reversal of impairment loss on property, plant and equipment	(29)	(29)
Loss on disposal of subsidiary	455	455

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**B7. Taxation**

	Third Quarter ended		Year-to-date	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Current Tax</b>				
- current year	(5,496)	(1,775)	(19,428)	(8,968)
<b>Deferred Taxation</b>				
- Origination and reversal of temporary differences	(1,333)	(735)	(1,072)	(94)
	(6,829)	(2,510)	(20,500)	(9,062)

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 September 2022 were as follows:

	Long-Term RM'000	Short-Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loans	40,262	7,001	47,263
-Finance lease liabilities	310	206	516
-Revolving credit	13,013	55,000	68,013
-Trade lines	-	50,696	50,696
-Bridging loan	29,500	-	29,500
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	5	5
	83,085	112,908	195,993

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**B10. Derivative Financial Instruments**

As at 30 September 2022, 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	17,373	18,004
- Receivable	58,553	60,345

**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**

	<b>Third Quarter ended 30 September 2022</b>	<b>Third Quarter ended 30 September 2021</b>	<b>Year-to-date 30 September 2022</b>	<b>Year-to-date 30 September 2021</b>
Net profit attributable to owners of the Company (RM’000)	18,309	6,881	59,584	22,155
Weighted average number of ordinary shares in issue (’000)	134,331	134,331	134,331	134,331
Basic earnings per share (sen)	13.63	5.12	44.36	16.49

**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 29 November 2022.

**BY ORDER OF THE BOARD**  
29 November 2022