



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED
31 DECEMBER 2022**

ALCOM GROUP BERHAD (201701047083 (1261259-V))**Condensed Consolidated Statement of Comprehensive Income for the 4th quarter and Financial Year ended 31 December 2022 (Unaudited)**

	Quarter ended 31 December 2022	Quarter ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	212,177	183,223	975,958	598,911
Expenses excluding tax	(189,188)	(169,963)	(874,647)	(556,164)
Other operating income	684	755	2,503	2,485
Profit before tax	23,673	14,015	103,814	45,232
Taxation	(5,484)	(3,644)	(25,984)	(12,706)
Net profit	18,189	10,371	77,830	32,526
Other comprehensive expense, net of tax : <u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial loss on gratuity scheme	-	(87)	-	(87)
Taxation relating to component of other comprehensive expense	-	21	-	21
Other comprehensive expense, net of tax	-	(66)	-	(66)
Total comprehensive income	18,189	10,305	77,830	32,460
Profit attributable to:				
- Owners of the Company	18,133	10,371	77,717	32,526
- Non-Controlling Interests	56	-	113	-
	18,189	10,371	77,830	32,526
Total comprehensive income attributable to:				
- Owners of the Company	18,133	10,305	77,717	32,460
- Non-Controlling Interests	56	-	113	-
	18,189	10,305	77,830	32,460
Basic earnings per ordinary share (sen)	13.50	7.72	57.85	24.21

(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 31 December 2022 (Unaudited)**

	UNAUDITED As At 31 December 2022 RM'000	AUDITED As At 31 December 2021 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	52,860	52,875
Right-of-use assets	15,294	16,248
Intangible assets	2,429	2,558
Deferred tax assets	1,616	3,399
	<u>72,199</u>	<u>75,080</u>
CURRENT ASSETS		
Inventories	197,606	300,783
Contract assets	7,860	3,233
Contract costs	9,856	17,511
Trade receivables	66,259	53,272
Other receivables and prepayments	16,846	20,362
Tax recoverable	2,305	2,304
Derivative financial instruments	-	512
Cash and bank balances	127,702	64,682
	<u>428,434</u>	<u>462,659</u>
TOTAL ASSETS	<u>500,633</u>	<u>537,739</u>
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	125,496	51,136
Equity attributable to owners of the Company	<u>230,274</u>	<u>155,914</u>
Non-controlling interests	260	-
TOTAL EQUITY	<u>230,534</u>	<u>155,914</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	38,794	136,246
Provision for gratuity scheme	3,321	3,756
Lease liabilities	1,273	2,422
Deferred tax liabilities	868	1,116
	<u>44,256</u>	<u>143,540</u>
CURRENT LIABILITIES		
Loans and borrowings	114,685	105,181
Lease liabilities	1,723	1,297
Provision for gratuity scheme	662	1,014
Trade payables	45,549	70,976
Other payables and accruals	31,150	21,131
Contract liabilities	26,812	35,253
Derivative financial instruments	23	-
Provision for taxation	5,239	3,433
	<u>225,843</u>	<u>238,285</u>
TOTAL LIABILITIES	<u>270,099</u>	<u>381,825</u>
TOTAL EQUITY AND LIABILITIES	<u>500,633</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 Financial Year ended
31 December 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		
Balance as at 1 January 2022	104,778	51,136	155,914	-	155,914
Recognition of non-controlling interests upon changes in ownership interest in a subsidiary	-	3	3	147	150
<u>Total comprehensive income:</u>					
Profit for the year	-	77,717	77,717	113	77,830
Total comprehensive income for the year	-	77,717	77,717	113	77,830
Dividend paid	-	(3,360)	(3,360)	-	(3,360)
Balance as at 31 December 2022	104,778	125,496	230,274	260	230,534
Balance as at 1 January 2021	104,778	18,676	123,454	-	123,454
<u>Total comprehensive income:</u>					
Profit for the year	-	32,526	32,526	-	32,526
Actuarial loss on gratuity scheme, net of tax	-	(66)	(66)	-	(66)
Total comprehensive income for the year	-	32,460	32,460	-	32,460
Balance as at 31 December 2021	104,778	51,136	155,914	-	155,914

(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 Financial Year ended 31 December 2022 (Unaudited)**

	12 months ended 31 December 2022	12 months ended 31 December 2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	103,814	45,232
Adjustments for:-		
Allowance for inventory write-down	1,422	396
Amortisation of intangible assets	220	188
Depreciation of:		
- Property, plant and equipment	8,823	8,811
- Right-of-use assets	1,707	1,578
Gain on disposal of property, plant and equipment	(274)	(2)
Interest expenses	9,887	7,906
Interest expenses on lease liabilities	146	-
Interest income	(1,045)	(348)
Net fair value loss/(gain) on forward foreign exchange contracts	535	(88)
Provision for gratuity scheme	354	382
Impairment/(reversal of impairment) of financial assets	76	(172)
Reversal of impairment of property, plant and equipment	(29)	-
Unrealised foreign exchange loss	474	32
	126,110	63,915
Changes in Working Capital:-		
Inventories	101,755	(86,450)
Receivables	(10,187)	(32,189)
Payables	(15,242)	15,903
Contract assets	(4,627)	(1,605)
Contract costs	7,655	4,722
Contract liabilities	(8,441)	6,911
Cash generated from/(used in) operations	197,023	(28,793)
Gratuity paid	(956)	(320)
Interest paid	(146)	(102)
Tax paid	(22,642)	(9,793)
Net cash from/(used in) operating activities	173,279	(39,008)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- Property, plant and equipment	(8,888)	(3,768)
- Intangible assets	(91)	(20)
Proceeds from disposal of:		
- Property, plant and equipment	383	2
- Subsidiary	150	-
Interest income received	1,036	348
Net cash used in investing activities	(7,410)	(3,438)
CASH FLOWS FROM FINANCING ACTIVITY		
Changes in deposits pledged	(21)	-
Dividend paid	(3,358)	-
Net (repayment)/drawdown of loans and borrowings	(87,948)	68,985
Payment of lease liabilities	(1,467)	(1,388)
Interest paid	(10,103)	(8,634)
Net cash (used in)/from financing activities	(102,897)	58,963
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	62,972	16,517
Foreign exchange differences	26	56
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	63,470	46,961
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	126,468	63,534

(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 Fourth Quarter Ended 31 December 2022

A2. Accounting policies (continued)

- ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023 (continued)***
 - Amendments to MFRS 101, Presentation of Financial Statements – 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
- ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***
 - Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
 - Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- ***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 year and prior year 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 year 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 year under review.

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

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 year under review.

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 financial year ended 31 December 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>	29,443	80,722	12,392	5,245	(4,279)	123,523
Included in the measure of segment EBITDA are:						
- Revenue from external customers	646,361	309,168	20,429	-	-	975,958
- Allowance for inventory write-down	(1,360)	-	(62)	-	-	(1,422)

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 year under review.

A11. Capital Commitments

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

	Group 31 December 2022 RM'000
- Contracted	2,902
- Not Contracted	7,295
Total Capital Commitment	<u>10,197</u>

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

A12. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the financial year 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 year under review.

On 28 December 2022, AGB Land Sdn. Bhd. (formerly known as SCLand Development Sdn. Bhd.) incorporated a wholly-owned subsidiary known as AG Avenue Sdn. Bhd. with an issued share capital of RM1.00 comprising one (1) ordinary share. Its intended principal activity is property development.

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

A14. Changes in contingent liabilities or contingent assets

The contingent liabilities as at 31 December 2022 were as follows:

<u>Unsecured contingent liabilities</u>	Company 31 December 2022 RM'000
Corporate guarantee given to financial institutions in respect of banking facilities granted to subsidiaries	252,432

A15. Related party disclosures

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

	Group	
	Quarter ended 31 December 2022	Year-to-date 31 December 2022
	RM'000	RM'000
Sales of Finished Goods	-	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.

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

B1. Review of Group Performance
 Financial review of the fourth quarter ended 31 December 2022 (“Q4 FY2022”) compared with the corresponding quarter in Financial Year 2021 (“Q4 FY2021”)

	Q4 FY2022	Q4 FY2021	Change %
	RM'000	RM'000	
Revenue	212,177	183,223	16
Profit Before Interest and Tax	25,405	16,089	58
Profit Before Tax	23,673	14,015	69

The Group’s revenue for Q4 FY2022 increased by 16% compared to Q4 FY2021. Of the RM212.18 million revenue recorded in Q4 FY2022, approximately 51% was generated from the manufacturing segment and the remaining 49% was generated from its property development and construction segments. These percentages in Q4 FY2021 were 68% and 32% respectively. No external revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue in Q4 FY2022 of RM108.78 million, a decrease of 13% as compared to Q4 FY2021 which registered a revenue of RM125.22 million. This decrease was attributable to base metal price which trended lower as well as reduced shipments. Base metal price which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was 19% lower in Q4 FY2022 as compared to Q4 FY2021 whilst the decrease in shipment volume was 23% mainly in the exports to the United States market.

The property development segment posted a revenue of RM97.99 million in Q4 FY2022, which was a significant increase of RM42.46 million as compared to RM55.54 million attained in Q4 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 the support of end-financing bankers who had provided financing to the end-buyers, coupled with effective digital marketing efforts. In addition, the steady progress in construction works in the current quarter under review also aided the revenue increase. Road works were completed in October 2022 and the practical completion of Hub 1 was certified in November 2022, marking an important milestone towards the completion of the first phase of the 2 phases of the project.

Meanwhile, the construction segment’s external revenue registered a substantial increase from RM2.46 million in Q4 FY2021 to RM5.41 million in Q4 FY2022, due mainly to the implementation of several new roofing projects.

|
|
|
|
Intentionally left blank
|
|
|

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B1. Review of Group Performance (continued)

Financial review of the fourth quarter ended 31 December 2022 (“Q4 FY2022”) compared with the corresponding quarter in Financial Year 2021 (“Q4 FY2021”) (continued)

The Group registered a profit before tax of RM23.67 million in Q4 FY2022 as compared to Q4 FY2021’s profit before tax of RM14.02 million. The segmental breakdown was as follows:-

	Q4 FY2022	Q4 FY2021	Change %
	RM’000	RM’000	
Manufacturing Segment	(1,434)	(366)	-292
Property Development Segment	19,625	13,355	47
Construction Segment	4,059	1,737	134
Investment Holding Segment	6,148	5,926	4
Inter-Segment Elimination	(4,725)	(6,637)	29
Group Total	23,673	14,015	69

The manufacturing segment registered a loss before tax in Q4 FY2022 of RM1.43 million versus Q4 FY2021’s loss before tax of RM0.37 million. The increase in the loss before tax was mainly due to the decrease in revenue and the increase in direct costs, mainly natural gas costs, electricity costs and paint costs.

The property development segment recorded a substantial increase in profit before tax of 47% to RM19.63 million in Q4 FY2022 compared with Q4 FY2021’s profit before tax of RM13.36 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 lower interest cost and higher interest income from financial institution, offset partially by higher administrative expenses incurred due to staff performance bonuses as compared to Q4 FY2021. For the construction segment, it recorded a profit before tax of RM4.06 million in Q4 FY2022 which represented an increase of 134% compared with Q4 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.

B2. Financial review of the fourth quarter ended 31 December 2022 (“Q4 FY2022”) compared with the immediate preceding quarter ended 30 September 2022 (“Q3 FY2022”)

	Q4 FY2022	Q3 FY2022	Change %
	RM’000	RM’000	
Revenue	212,177	255,055	-17
Profit Before Interest and Tax	25,405	27,632	-8
Profit Before Tax	23,673	25,195	-6

The Group recorded a revenue of RM212.18 million in Q4 FY2022 which was lower by 17% as compared to the revenue of RM255.06 million registered in Q3 FY2022. This decrease was largely attributable to the manufacturing segment.

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B2. Financial review of the fourth quarter ended 31 December 2022 (“Q4 FY2022”) compared with the immediate preceding quarter ended 30 September 2022 (“Q3 FY2022”) (continued)

The manufacturing segment registered a revenue of RM108.78 million in Q4 FY2022 compared to its Q3 FY2022’s attainment of RM165.71 million. This decline was a result of a drop in shipment volume and lower base metal price. Shipment volume was 31% lower mainly due to the decline in the exports to the United States market 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 12% in Q4 FY2022 as compared to Q3 FY2022. No external revenue was recorded in the investment holding segment.

The property development segment increased its revenue to RM97.99 million in Q4 FY2022 for its maiden EmHub project, an increase of RM13.90 million as compared to Q3 FY2022’s revenue of RM84.09 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 Q4 FY2022. For the construction segment, it recorded a slightly higher external revenue of RM5.41 million compared with Q3 FY2022’s external revenue of RM5.26 million, mainly attributable to its roofing and cladding projects.

The Group registered a profit before tax of RM23.67 million in Q4 FY2022 as compared to RM25.20 million in Q3 FY2022. The segmental breakdown was as follows:-

	Q4 FY2022	Q3 FY2022	Change %
	RM’000	RM’000	
Manufacturing Segment	(1,434)	85	-1,787
Property Development Segment	19,625	22,010	-11
Construction Segment	4,059	2,068	96
Investment Holding Segment	6,148	(214)	2,973
Inter-Segment Elimination	(4,725)	1,246	-479
Group Total	23,673	25,195	-6

The manufacturing segment’s pre-tax loss of RM1.43 million was mainly attributable to the lower revenue and higher energy costs in Q4 FY2022. This was partially offset by good control of overall costs.

The property development segment’s pre-tax profit had decreased by 11% mainly attributable to higher administrative expenses due to the staff performance bonuses that was paid in Q4 FY2022, net of lower interest cost and higher interest income from financial institution. 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, with the construction of Hub 1 (the first phase of its EmHub project) being completed in Q4 FY2022.

|
|
|
Intentionally left blank
|
|
|

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B3. Financial review of Financial Year ended 31 December 2022 (“FY2022) versus Financial Year ended 31 December 2021 (“FY2021”)

	FY2022	FY2021	Change %
	RM'000	RM'000	
Revenue	975,958	598,911	63
Profit Before Interest and Tax	112,802	52,790	114
Profit Before Tax	103,814	45,232	130

The Group's revenue for FY2022 surged by RM377.05 million or 63% to RM975.96 million as compared to FY2021. Of the RM975.96 million revenue, RM646.36 million was attributable to the manufacturing segment with the remaining RM329.60 million external revenue being generated from the property development and construction segments. No external revenue was recorded in the investment holding segment.

The manufacturing segment recorded an increase of RM201.48 million in revenue to RM646.36 million for FY2022 as compared to FY2021's attainment of RM444.88 million. This 45% 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 16% higher for FY2022 versus FY2021. This was further bolstered by a weaker Ringgit Malaysia vis-à-vis the USD currency; the Ringgit Malaysia was approximately 6% weaker in FY2022 versus FY2021.

The property development segment registered a surge of RM158.77 million in revenue to RM309.17 million for FY2022 when compared to FY2021's revenue of RM150.40 million. This 106% increase was mainly attributable to an approximately twofold increase in the number of units sold due to higher demand. 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 RM5.02 million in FY2021 to RM20.43 million in FY2022, due mainly to the accelerated construction progress at both its existing and new roofing projects.

The Group registered a profit before tax of RM103.81 million for FY2022 as compared to FY2021's profit before tax of RM45.23 million. The segmental breakdown was as follows:-

	FY2022	FY2021	Change %
	RM'000	RM'000	
Manufacturing Segment	15,265	9,415	62
Property Development Segment	75,883	32,855	131
Construction Segment	11,687	6,621	77
Investment Holding Segment	5,258	5,221	1
Inter Segment Elimination	(4,279)	(8,880)	52
Group Total	103,814	45,232	130

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B3. Financial review of Financial Year ended 31 December 2022 (“FY2022) versus Financial Year ended 31 December 2021 (“FY2021”) (continued)

The manufacturing segment achieved a profit before tax of RM15.27 million in FY2022 versus FY2021’s profit before tax of RM9.42 million. This substantial improvement was contributed by 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 RM75.88 million in FY2022 compared with FY2021’s profit before tax of RM32.86 million. This significant increase of 131% was due mainly to significantly higher sales and the substantial construction progress achieved which have enabled higher progressive profits to be recognized, coupled with prudent project cost control and higher interest income from financial institutions, but offset partially by higher administrative expenses due to staff performance bonuses as compared to FY2021. Meanwhile, the construction segment recorded a 77% increase in profit before tax to RM11.69 million in FY2022 compared with FY2021, due largely to the accelerated construction progress at its roofing projects and also at the Group’s internal EmHub project.

B4. Commentary on Prospects

The global economic growth is expected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023. The rise in central bank rates to fight inflation and Russia’s war in Ukraine continue to dampen the recovery of economic activity, partially mitigated by the recent reopening of China’s economy. Against this depressed market sentiment, the manufacturing segment whose exports account for approximately 90% of its total shipment volume, 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.

As the EmHub project nears completion, the Group’s property development segment is looking for opportunities to purchase new development land in strategic location with strong growth potential to further bolster the property development business of the Group. The property development segment will remain focused on delivering competitive and differentiated property products in the Group’s new project.

B5. Variance of Actual Profit from Forecast Profit

Not applicable.

|
|
|
Intentionally left blank
|
|
|

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B6. Profit for the Current Quarter and Financial Year under Review

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

	Fourth Quarter ended 31 December 2022 RM'000	Year ended 31 December 2022 RM'000
Interest income	(463)	(1,045)
Interest expense	2,162	9,887
Interest expense on lease liabilities	33	146
Amortisation of intangible assets	145	220
Allowance for inventory write-down	284	1,422
Allowance for doubtful debts	116	76
Depreciation of:		
- Property, plant and equipment	2,243	8,823
- Right-of-use assets	430	1,707
Foreign exchange (gain)/loss:		
- Realised	(2,490)	(1,850)
- Unrealised	3,038	474
Net fair value (gain)/loss on derivatives	(1,129)	535
Gain on disposal of property, plant and equipment	-	(274)
Reversal of impairment loss on property, plant and equipment	-	(29)

B7. Taxation

	Fourth Quarter ended		Year ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	(5,021)	(5,040)	(24,448)	(14,008)
Deferred Taxation				
- Origination and reversal of temporary differences	(463)	1,396	(1,536)	1,302
	(5,484)	(3,644)	(25,984)	(12,706)

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 were no corporate exercise proposals announced that have not been completed as at the date of this announcement.

ALCOM GROUP BERHAD (“AGB”) (Co. Reg. No. 201701047083(1261259-V))
 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B9. Group Borrowings

The Group's borrowings as at 31 December 2022 were as follows:

	Long-Term RM'000	Short-Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loans	38,512	7,001	45,513
-Finance lease liabilities	282	179	461
-Revolving credit	-	85,000	85,000
-Trade lines	-	22,500	22,500
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	5	5
	38,794	114,685	153,479

B10. Derivative Financial Instruments

As at 31 December 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	-	-
- Receivable	26,464	26,487

B11. Changes in Material Litigation

Not applicable.

B12. Dividends

The board is recommending a first and final single-tier dividend of 2.5 sen per share amounting to RM3,358,271 in respect of FY2022 (FY2021: first and final single-tier dividend of 2.5 sen per share). The aforesaid dividend is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2022

B13. Earnings Per Share

	Fourth Quarter ended 31 December 2022	Fourth Quarter ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021
Net profit attributable to owners of the Company (RM'000)	18,133	10,371	77,717	32,526
Weighted average number of ordinary shares in issue ('000)	134,331	134,331	134,331	134,331
Basic earnings per share (sen)	13.50	7.72	57.85	24.21

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 28 February 2023.

BY ORDER OF THE BOARD
28 February 2023