



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

ALCOM GROUP BERHAD (201701047083 (1261259-V))**Condensed Consolidated Statement of Comprehensive Income for the 3rd quarter ended 30 September 2024 (Unaudited)**

	Quarter ended 30 September 2024 RM'000	Quarter ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Revenue	158,458	147,472	436,304	512,942
Expenses excluding tax	(162,073)	(141,434)	(439,457)	(493,876)
Other operating income	701	620	2,485	3,006
(Loss)/profit before tax	(2,914)	6,658	(668)	22,072
Taxation	444	(943)	(300)	(5,958)
Net (loss)/profit	(2,470)	5,715	(968)	16,114
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 (expense)/income	(2,470)	5,715	(968)	16,114
(Loss)/profit attributable to:				
- Owners of the Company	(2,504)	6,151	(1,040)	16,466
- Non-Controlling Interests	34	(436)	72	(352)
	(2,470)	5,715	(968)	16,114
Total comprehensive (expense)/income attributable to:				
- Owners of the Company	(2,504)	6,151	(1,040)	16,466
- Non-Controlling Interests	34	(436)	72	(352)
	(2,470)	5,715	(968)	16,114
Basic (loss)/earnings per ordinary share (sen)	(1.86)	4.58	(0.77)	12.26

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2024 (Unaudited)**

	UNAUDITED As At 30 September 2024 RM'000	AUDITED As At 31 December 2023 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	167,601	91,504
Right-of-use assets	13,630	14,240
Intangible assets	3,187	2,775
Deferred tax assets	6,194	3,493
	<u>190,612</u>	<u>112,012</u>
CURRENT ASSETS		
Inventories	247,190	129,464
Contract assets	3,489	1,838
Contract costs	88	-
Trade receivables	50,875	46,121
Other receivables and prepayments	21,800	18,171
Tax recoverable	6,053	7,729
Cash and bank balances	92,053	154,711
	<u>421,548</u>	<u>358,034</u>
TOTAL ASSETS	<u>612,160</u>	<u>470,046</u>
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	132,079	138,492
Equity attributable to owners of the Company	<u>236,857</u>	<u>243,270</u>
Non-controlling interests	(116)	(188)
TOTAL EQUITY	<u>236,741</u>	<u>243,082</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	106,497	31,692
Provision for gratuity scheme	3,260	3,184
Lease liabilities	469	1,001
Deferred tax liabilities	2	992
	<u>110,228</u>	<u>36,869</u>
CURRENT LIABILITIES		
Loans and borrowings	201,494	137,293
Lease liabilities	1,167	1,120
Provision for gratuity scheme	127	681
Trade payables	49,651	26,608
Other payables and accruals	2,842	21,363
Contract liabilities	4,510	2,826
Derivative financial instruments	5,090	101
Provision for taxation	310	103
	<u>265,191</u>	<u>190,095</u>
TOTAL LIABILITIES	375,419	226,964
TOTAL EQUITY AND LIABILITIES	<u>612,160</u>	<u>470,046</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 2023 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 3rd quarter ended
30 September 2024 (Unaudited)

	← Attributable to Owners of the Company →		Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non- Distributable	Distributable			
	Share capital RM'000	Retained earnings RM'000			
Balance as at 1 January 2024	104,778	138,492	243,270	(188)	243,082
<u>Total comprehensive expense:</u>					
Loss for the period	-	(1,040)	(1,040)	72	(968)
Total comprehensive expense for the period	-	(1,040)	(1,040)	72	(968)
Dividends to owners of the Company	-	(5,373)	(5,373)	-	(5,373)
Balance as at 30 September 2024	104,778	132,079	236,857	(116)	236,741
Balance as at 1 January 2023	104,778	125,290	230,068	260	230,328
<u>Total comprehensive income:</u>					
Profit for the period	-	16,466	16,466	(352)	16,114
Total comprehensive income for the period	-	16,466	16,466	(352)	16,114
Dividends to owners of the Company	-	(3,358)	(3,358)	-	(3,358)
Balance as at 30 September 2023	104,778	138,398	243,176	(92)	243,084

(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 2023 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))

Condensed Consolidated Statement of Cash Flows for the 3rd quarter ended 30 September 2024 (Unaudited)

	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(668)	22,072
Adjustments for:-		
Allowance for inventory write-down	2,968	271
Amortisation of intangible assets	136	134
Depreciation of:		
- Property, plant and equipment	6,687	6,921
- Right-of-use assets	1,212	1,342
Loss/(gain) on disposal of property, plant and equipment	113	(215)
Interest expenses	7,524	6,755
Interest expenses on lease liabilities	67	84
Interest income	(2,310)	(1,763)
Net fair value gain on forward foreign exchange contracts	(530)	(42)
Provision for gratuity scheme	212	233
Net (reversal)/loss on impairment of financial assets	(22)	167
Reversal of impairment of property, plant and equipment	(152)	-
Unrealised forex loss	321	140
	15,558	36,100
Changes in Working Capital:-		
Inventories	(120,256)	23,452
Receivables	(7,339)	15,119
Payables	5,269	16,143
Contract assets	(1,650)	4,282
Contract costs	(88)	9,855
Contract liabilities	1,684	(26,800)
Cash (used in)/generated from operations	(106,822)	78,151
Gratuity paid	(690)	(632)
Interest paid	(181)	(84)
Tax paid	(2,091)	(18,637)
Net cash (used in)/from operating activities	(109,784)	58,798
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of:		
- Property, plant and equipment	(76,610)	(13,526)
- Intangible assets	(549)	(489)
Proceeds from disposal of:		
- Property, plant and equipment	41	215
Change in deposits pledged	(1,649)	1,148
Interest income received	2,310	1,754
Net cash used in investing activities	(76,457)	(10,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(5,373)	(3,358)
Net drawdown/(repayment) of loans and borrowings	139,006	(11,391)
Payment of lease liabilities	(971)	(1,212)
Interest paid	(8,824)	(6,755)
Net cash from/(used in) financing activities	123,838	(22,716)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(62,403)	25,184
Foreign exchange differences	(1,904)	(232)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	150,602	126,642
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	86,295	151,594

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Cash Flows for the 3rd quarter ended 30 September 2024 (Unaudited) (cont'd)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	As at 30 September 2024 RM'000	As at 30 September 2023 RM'000
Cash and bank balances		
Deposit placed with licensed bank	233	233
Liquid investment	25,830	39,636
Cash and bank balances	65,990	111,725
	<hr/> 92,053	<hr/> 151,594
Less: Cash and cash equivalents held on behalf of the owners of EmHub	(4,708)	-
Less: Deposit pledged	(1,050)	-
	<hr/> 86,295	<hr/> 151,594

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2023. 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 2023.

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 2023 except for the adoption of the following accounting standards, interpretations and amendments to published standards with effect from 1 January 2024:

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements

The application of the abovementioned accounting standards, interpretations and amendments do not have a material financial 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:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

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

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2024

A2. Accounting policies (continued)

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.

The initial application of the abovementioned accounting standards, interpretations and 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.

A8. Dividends paid

No dividend was paid 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 2024

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 2024 were as follows:-

	Manufacturing	Property Development	Construction	Investment Holding	Inter Segment Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment EBITDA	7,356	6,135	481	(1,043)	(281)	12,649
Included in the measure of segment EBITDA are:						
- Revenue from external customers	407,683	16,000	12,621	-	-	436,304
- (Allowance)/reversal of inventory write-down	(2,971)	-	3	-	-	(2,968)

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 September 2024
	RM'000
- Contracted	102,439
- Not Contracted	158,826
Total Capital Commitment	<u>261,265</u>

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

There were no material events subsequent to the end of the period under review up to the date of this announcement that have not been disclosed in this quarterly financial statements.

A13. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

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 Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2024

A14. Changes in contingent liabilities or contingent assets

The contingent liabilities as at 30 September 2024 were as follows:

<u>Unsecured contingent liabilities</u>	Company 30 September 2024 RM'000
Corporate guarantee given to financial institutions in respect of banking facilities granted to subsidiaries	712,845

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:

	Group	
	Quarter ended 30 September 2024	Year-to-date 30 September 2024
	RM'000	RM'000
Sales of Finished Goods	-	-

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 2024 (“Q3 FY2024”) compared with the corresponding quarter in Financial Year 2023 (“Q3 FY2023”)

	Q3 FY2024	Q3 FY2023	Change %
	RM'000	RM'000	
Revenue	158,458	147,472	7
(Loss)/Profit Before Interest and Tax	(227)	8,510	-106
(Loss)/Profit Before Tax	(2,914)	6,658	-144

The Group’s revenue for Q3 FY2024 increased by 7% compared to Q3 FY2023. Of the RM158.46 million revenue recorded in Q3 FY2024, approximately 90% was generated from the manufacturing segment and the remaining 10% was generated from its property development and construction segments. These percentages in Q3 FY2023 were 81% and 19% respectively. No external revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue in Q3 FY2024 of RM142.53 million, an increase of 19% as compared to Q3 FY2023 which registered a revenue of RM119.93 million. This increase was attributable to increased shipments as well as base metal price which trended higher. Shipment volume was approximately 19% higher mainly in the exports of specialty products to the United States market. The base metal price which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was also higher by 14% in Q3 FY2024 as compared to Q3 FY2023.

The property development segment posted a revenue of RM11.86 million in Q3 FY2024, which was a decrease of RM15.04 million as compared to RM26.90 million attained in Q3 FY2023 for its maiden EmHub project. This decrease was mainly attributable to lower sales in the current quarter as there were not many units left for sale due to strong market demand.

Meanwhile, the construction segment’s external revenue registered an increase from RM0.72 million in Q3 FY2023 to RM4.92 million in Q3 FY2024, mainly attributable to its roofing and cladding projects.

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Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2024

B1. Review of Group Performance (continued)**Financial review of the third quarter ended 30 September 2024 (“Q3 FY2024”) compared with the corresponding quarter in Financial Year 2023 (“Q3 FY2023”) (continued)**

The Group registered a loss before tax of RM2.91 million in Q3 FY2024 as compared to Q3 FY2023's profit before tax of RM6.66 million. The segmental breakdown was as follows:

	Q3 FY2024	Q3 FY2023	Change %
	RM'000	RM'000	
Manufacturing Segment	(8,348)	153	-5559
Property Development Segment	5,634	7,400	-24
Construction Segment	217	(839)	126
Investment Holding Segment	(290)	(369)	21
Inter-Segment Elimination	(127)	314	-140
Group Total	(2,914)	6,658	-144

The manufacturing segment registered a loss before tax in Q3 FY2024 of RM8.35 million versus Q3 FY2023's profit before tax of RM0.15 million. This loss before tax was primarily due to a lower valuation of closing inventory caused by the weakening of the USD currency against the Ringgit Malaysia by approximately 9% at the end of Q3 FY2024 compared to the average book exchange rate. Consequently, the inventory was revalued to the lower of cost or net realizable value in compliance with the accounting standard on inventories. Additionally, higher repairs and maintenance expenses contributed to the loss in Q3 FY2024.

The property development segment recorded a profit before tax of RM5.63 million in Q3 FY2024, a decrease of RM1.77 million as compared to Q3 FY2023's profit before tax of RM7.40 million. This decrease was due mainly to the lower revenue recognized during Q3 FY2024 from its EmHub project, but partially offset by lower administrative and marketing expenses as compared to Q3 FY2023.

For the construction segment, it recorded a profit before tax of RM0.22 million in Q3 FY2024 as compared to Q3 FY2023's loss before tax of RM0.84 million, mainly attributable to the progressive profits from its roofing and cladding projects.

B2. Financial review of the third quarter ended 30 September 2024 (“Q3 FY2024”) compared with the immediate preceding quarter ended 30 June 2024 (“Q2 FY2024”)

	Q3 FY2024	Q2 FY2024	Change %
	RM'000	RM'000	
Revenue	158,458	141,533	12
(Loss)/Profit Before Interest and Tax	(227)	2,289	-110
(Loss)/Profit Before Tax	(2,914)	1,818	-260

The Group recorded a revenue of RM158.46 million in Q3 FY2024 which was higher by 12% as compared to the revenue of RM141.53 million registered in Q2 FY2024. This increase was largely attributable to both the manufacturing and property development segments.

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Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2024

B2. Financial review of the third quarter ended 30 September 2024 (“Q3 FY2024”) compared with the immediate preceding quarter ended 30 June 2024 (“Q2 FY2024”) (continued)

The manufacturing segment registered a revenue of RM142.53 million in Q3 FY2024 compared to its Q2 FY2024’s attainment of RM135.70 million. This increase was a result of higher shipment volumes of approximately 17% mainly in the export of coated fin products to the Europe market. In addition, the higher revenue was also attributable to the increase in the base metal price of 10%. No external revenue was recorded in the investment holding segment.

The property development segment posted a revenue of RM11.86 million in Q3 FY2024 which was an increase of RM8.69 million as compared to RM3.17 million of revenue in Q2 FY2024 for its EmHub project. The increase in revenue was attributable to strong demand for the remaining few unsold units as the building became more vibrant with better occupancy. For the construction segment, it recorded a higher external revenue of RM4.92 million in Q3 FY2024 compared with Q2 FY2024’s external revenue of RM3.11 million, mainly attributable to its roofing and cladding projects.

The Group registered a loss before tax of RM2.91 million in Q3 FY2024 as compared to profit before tax of RM1.82 million in Q2 FY2024. The segmental breakdown was as follows:

	Q3 FY2024	Q2 FY2024	Change %
	RM'000	RM'000	
Manufacturing Segment	(8,348)	1,068	-882
Property Development Segment	5,634	1,430	294
Construction Segment	217	(139)	-256
Investment Holding Segment	(290)	(382)	-24
Inter-Segment Elimination	(127)	(159)	-20
Group Total	(2,914)	1,818	-260

The manufacturing segment registered a loss before tax in Q3 FY2024 of RM8.35 million versus Q2 FY2024’s profit before tax of RM1.07 million. This loss before tax was primarily due to a lower valuation of closing inventory caused by the weakening of the USD currency against the Ringgit Malaysia by approximately 9% at the end of Q3 FY2024 compared to the average book exchange rate. Consequently, the inventory was revalued to the lower of cost or net realizable value in compliance with the accounting standard on inventories. Additionally, higher repairs and maintenance expenses and interest expense contributed to the loss in Q3 FY2024.

The property development segment recorded a profit before tax of RM5.63 million in Q3 FY2024 compared with Q2 FY2024’s profit before tax of RM1.43 million. This increase was due mainly to the higher revenue recognized in the current quarter from its EmHub project, coupled with higher interest income and lower administrative expenses. For the construction segment, it recorded a profit before tax of RM0.22 million in Q3 FY2024 compared with Q2 FY2024’s loss before tax of RM0.14 million, mainly attributable to the progressive profits from its roofing and cladding projects.

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

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2024

B3. Financial review of Year-To-Date ended 30 September 2024 (“YTD FY2024) versus Year-To-Date ended 30 September 2023 (“YTD FY2023”)

	YTD FY 2024	YTD FY 2023	Change %
	RM'000	RM'000	
Revenue	436,304	512,942	-15
Profit Before Interest and Tax	4,613	27,148	-83
(Loss)/Profit Before Tax	(668)	22,072	-103

The Group’s revenue for YTD FY2024 decreased by RM76.64 million or 15% to RM436.30 million as compared to YTD FY2023. Of the RM436.30 million revenue, RM407.68 million was attributable from the manufacturing segment with the remaining RM28.62 million external revenue being generated from the property development and construction segments. No revenue was recorded in the investment holding segment.

The manufacturing segment recorded an increase of RM23.14 million in revenue to RM407.68 million for YTD FY2024 as compared to YTD FY2023’s attainment of RM384.54 million. This increase was the result of higher shipment volumes of specialty products to the United States market, but partially offset by lower shipment volumes of coated fin to the Europe and Thailand markets. In addition, the higher revenue was also attributable to the strengthening of the USD currency vis-à-vis the Ringgit Malaysia by approximately 4% in YTD FY2024 versus YTD FY2023.

The property development segment registered a revenue of RM16.06 million in YTD FY2024, which was a decrease of RM112.95 million when compared to YTD FY2023’s revenue of RM119.97 million. This 87% decrease was mainly attributable to the lower number of units sold as there were not many unsold units left owing to the high demand.

The construction segment posted an increase in external revenue, rising from RM8.43 million in YTD FY2023 to RM12.62 million in YTD FY2024, primarily driven by steady progress in its roofing and cladding projects.

The Group registered a loss before tax of RM0.67 million for YTD FY2024 as compared to YTD FY2023’s profit before tax of RM22.07 million. The segmental breakdown was as follows:-

	YTD FY2024	YTD FY2023	Change %
	RM'000	RM'000	
Manufacturing Segment	(6,827)	(8,102)	-16
Property Development Segment	7,190	28,086	-74
Construction Segment	165	100	66
Investment Holding Segment	(986)	(956)	-3
Inter Segment Elimination	(210)	2,944	-107
Group Total	(668)	22,072	-103

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

Quarterly Report on Consolidated Results for the Third Quarter Ended 30 September 2024

B3. Financial review of Year-To-Date ended 30 September 2024 (“YTD FY2024) versus Year-To-Date ended 30 September 2023 (“YTD FY2023”) (continued)

The manufacturing segment recorded a loss before tax of RM6.83 million in YTD FY2024 versus YTD FY2023’s loss before tax of RM8.10 million. This loss before tax was mainly attributable to the lower contribution resulting from a lower margin product mix, higher general provision for slow moving inventories and repairs and maintenance expenses.

The property development segment’s pre-tax profit had decreased by 74% to RM7.19 million in YTD FY2024, mainly attributable to the lower revenue recognised in YTD FY2024, coupled with lower interest income, but partially offset by lower administrative, marketing and interest expenses.

Meanwhile, the construction segment recorded a slight increase in pre-tax profit to RM0.17 million in YTD FY2024, mainly attributable to the progressive profits from its roofing and cladding projects.

B4. Commentary on Prospects

The global economic growth is expected to remain stable and resilient. According to the World Economic Outlook issued in October 2024 by the International Monetary Fund, global growth is projected to be 3.2% in 2024 and 2025, with Malaysia’s expected growth rate to be 4.8% in 2024 and 4.4% in 2025. However, rising trade tensions between the US and China, ongoing conflicts in the Middle East and the potential major policy shifts following the US presidential election create further unpredictability in economic conditions. The Group’s manufacturing segment, which is primarily export-oriented, maintains a cautious stance in light of this market uncertainty while continuing to explore new markets and products, focusing on its longer-term growth strategy. Additionally, the Group is dedicated to enhancing operational efficiency and implementing cost-control strategies to remain competitive amid fluctuating global demand.

Meanwhile, Malaysia’s property market is expected to maintain its positive momentum in the latter part of the year after posting its best growth in value and volume over the past five years in the first half of 2024. According to Naptic’s Property Market 1H2024 Report, the total property transaction value soared to RM105.65 billion in the first half of 2024 (1H2024), marking a 23.8% year-on-year increase. In terms of transaction volume, a total of 198,906 properties were sold in 1H2024, representing an 8% increase as compared to the same period last year. This growth in the real estate sector can be attributed to robust economic performance, government housing initiatives and advancements in infrastructure.

On 24 June 2024, the acquisition of 2 parcels of contiguous leasehold vacant commercial land totalling approximately 7.08 acres in Bukit Raja, Klang, Selangor from 88 Legacy Sdn. Bhd. was completed. The subject land is strategically located around 450 meters from the planned Bandar Baru Klang LRT Station on the upcoming Shah Alam LRT Line (LRT 3), and the segment anticipates that LRT 3 infrastructure project will stimulate growing interest in property investments within the Klang region. The segment intends to develop the subject land into a proposed mixed development project, comprising commercial lots, SOHO and service apartments. This project will be carried out in two (2) phases. Phase 1 will be on Lot 117427 and Phase 2 on Lot 117426. It should be noted that the management is still currently in the midst of deliberating the detailed development plans for the subject land. The segment will remain focused on delivering competitive and differentiated property products to ensure sustainable growth and profitability.

B5. Variance of Actual Profit from Forecast Profit

Not applicable.

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B6. Profit for the Current Quarter under Review

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

	Third Quarter ended 30 September 2024 RM'000	Year-to-date 30 September 2024 RM'000
Interest income	(707)	(2,310)
Interest expense	3,374	7,524
Interest expense on lease liabilities	21	67
Amortisation of intangible assets	61	136
Allowance for inventory write-down	424	2,968
Depreciation of:		
- Property, plant and equipment	2,352	6,687
- Right-of-use assets	400	1,212
Foreign exchange (gain)/loss:		
- Realised	(12)	420
- Unrealised	(253)	321
Net fair value loss/(gain) on derivatives	(41)	(530)

B7. Taxation

	Third Quarter ended		Year-to-date	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	(2,048)	(1,289)	(5,391)	(8,083)
Deferred Taxation				
- Origination and reversal of temporary differences	2,492	346	5,091	2,125
	444	(943)	(300)	(5,958)

The disproportionate tax charge of the Group for the quarter under review was mainly due to non-deductibility of certain expenses, as well as non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

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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 2024 were as follows:

	Long-Term RM’000	Short-Term RM’000	Total RM’000
<u>Secured</u>			
-Term Loans	106,261	7,001	113,262
-Finance lease liabilities	236	126	362
-Revolving credit	-	124,000	124,000
-Trade lines	-	68,889	68,889
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	1,478	1,478
	106,497	201,494	307,991

B10. Derivative Financial Instruments

As at 30 September 2024, 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	122,162	117,059
- Receivable	3,920	3,907

B11. Changes in Material Litigation

Not applicable.

B12. Dividends

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

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B13. Earnings Per Share

	Third Quarter ended 30 September 2024	Third Quarter ended 30 September 2023	Year-to-date 30 September 2024	Year-to-date 30 September 2023
Net (loss)/profit attributable to owners of the Company (RM'000)	(2,504)	6,151	(1,040)	16,466
Weighted average number of ordinary shares in issue ('000)	134,331	134,331	134,331	134,331
Basic (loss)/earnings per share (sen)	(1.86)	4.58	(0.77)	12.26

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 November 2024.

BY ORDER OF THE BOARD
26 November 2024