



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

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

**Condensed Consolidated Statement of Comprehensive Income for the 2nd quarter ended 30 June 2024 (Unaudited)**

	Quarter ended 30 June 2024 RM'000	Quarter ended 30 June 2023 RM'000	6 months ended 30 June 2024 RM'000	6 months ended 30 June 2023 RM'000
Revenue	141,533	178,979	277,846	365,470
Expenses excluding tax	(140,601)	(174,535)	(277,384)	(352,442)
Other operating income	886	1,053	1,784	2,386
Profit before tax	1,818	5,497	2,246	15,414
Taxation	(634)	(1,997)	(744)	(5,015)
Net profit	1,184	3,500	1,502	10,399
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	1,184	3,500	1,502	10,399
Profit attributable to:				
- Owners of the Company	1,195	3,504	1,464	10,315
- Non-Controlling Interests	(11)	(4)	38	84
	1,184	3,500	1,502	10,399
Total comprehensive income attributable to:				
- Owners of the Company	1,195	3,504	1,464	10,315
- Non-Controlling Interests	(11)	(4)	38	84
	1,184	3,500	1,502	10,399
Basic earnings per ordinary share (sen)	0.89	2.61	1.09	7.68

**(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 June 2024 (Unaudited)**

	<b>UNAUDITED</b> As At 30 June 2024 RM'000	<b>AUDITED</b> As At 31 December 2023 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	131,658	91,504
Right-of-use assets	13,627	14,240
Intangible assets	2,771	2,775
Deferred tax assets	5,710	3,493
	<u>153,766</u>	<u>112,012</u>
<b>CURRENT ASSETS</b>		
Inventories	249,543	129,464
Contract assets	2,221	1,838
Contract costs	110	-
Trade receivables	74,788	46,121
Other receivables and prepayments	22,748	18,171
Tax recoverable	5,847	7,729
Cash and bank balances	87,653	154,711
	<u>442,910</u>	<u>358,034</u>
<b>TOTAL ASSETS</b>	<u>596,676</u>	<u>470,046</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	104,778	104,778
Retained earnings	139,956	138,492
Equity attributable to owners of the Company	<u>244,734</u>	<u>243,270</u>
Non-controlling interests	(150)	(188)
<b>TOTAL EQUITY</b>	<u>244,584</u>	<u>243,082</u>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	81,279	31,692
Provision for gratuity scheme	3,325	3,184
Lease liabilities	668	1,001
Deferred tax liabilities	592	992
	<u>85,864</u>	<u>36,869</u>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	168,427	137,293
Lease liabilities	925	1,120
Provision for gratuity scheme	160	681
Trade payables	68,000	26,608
Other payables and accruals	17,080	21,363
Contract liabilities	11,138	2,826
Derivative financial instruments	-	101
Provision for taxation	498	103
	<u>266,228</u>	<u>190,095</u>
<b>TOTAL LIABILITIES</b>	<u>352,092</u>	<u>226,964</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>596,676</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 2nd quarter ended**  
**30 June 2024 (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 2024</b>	104,778	138,492	243,270	(188)	243,082
<u>Total comprehensive income:</u>					
Profit for the period	-	1,464	1,464	38	1,502
Total comprehensive income for the period	-	1,464	1,464	38	1,502
<b>Balance as at 30 June 2024</b>	104,778	139,956	244,734	(150)	244,584
<b>Balance as at 1 January 2023</b>	104,778	125,290	230,068	260	230,328
<u>Total comprehensive income:</u>					
Profit for the period	-	10,315	10,315	84	10,399
Total comprehensive income for the period	-	10,315	10,315	84	10,399
<b>Balance as at 30 June 2023</b>	104,778	135,605	240,383	344	240,727

(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 2nd quarter ended 30 June 2024 (Unaudited)**

	6 months ended 30 June 2024 RM'000	6 months ended 30 June 2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,246	15,414
Adjustments for:-		
Allowance for inventory write-down	2,545	343
Amortisation of intangible assets	75	95
Depreciation of:		
- Property, plant and equipment	4,335	4,668
- Right-of-use assets	811	893
Gain on disposal of property, plant and equipment	(21)	(216)
Interest expenses	4,150	4,568
Interest expenses on lease liabilities	46	59
Interest income	(1,603)	(1,404)
Net fair value (gain)/loss on forward foreign exchange contracts	(488)	106
Provision for gratuity scheme	141	155
Net (reversal)/loss on impairment of financial assets	(22)	53
Unrealised forex loss/(gain)	574	(1,726)
	<b>12,789</b>	<b>23,008</b>
Changes in Working Capital:-		
Inventories	(122,561)	27,842
Receivables	(31,955)	9,023
Payables	37,479	(23,946)
Contract assets	(383)	2,717
Contract costs	(110)	5,499
Contract liabilities	8,312	(8,257)
Cash (used in)/generated from operations	<b>(96,429)</b>	<b>35,886</b>
Gratuity paid	(521)	(227)
Interest paid	(133)	(59)
Tax paid	(1,066)	(11,164)
Net cash (used in)/from operating activities	<b>(98,149)</b>	<b>24,436</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of:		
- Property, plant and equipment	(44,490)	(8,557)
- Intangible assets	(70)	(489)
Proceeds from disposal of:		
- Property, plant and equipment	21	212
Change in deposits pledged	(1,310)	1,148
Interest income received	1,603	1,395
Net cash used in investing activities	<b>(44,246)</b>	<b>(6,291)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of loans and borrowings	80,721	22,963
Payment of lease liabilities	(639)	(816)
Interest paid	(4,150)	(4,568)
Net cash from financing activities	<b>75,932</b>	<b>17,579</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(66,463)</b>	<b>35,724</b>
Foreign exchange differences	(1,904)	(232)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	150,602	126,642
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>82,235</b>	<b>162,134</b>

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

Condensed Consolidated Statement of Cash Flows for the 2nd quarter ended 30 June 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:

	<b>As at 30 June 2024 RM'000</b>	<b>As at 30 June 2023 RM'000</b>
<b>Cash and bank balances</b>		
Deposit placed with licensed bank	233	233
Liquid investment	23,134	-
Cash and bank balances	64,286	161,901
	<hr/> 87,653	<hr/> 162,134
Less: Cash and cash equivalents held on behalf of the owners of EmHub	(4,723)	-
Less: Deposit pledged	(695)	-
	<hr/> <b>82,235</b>	<hr/> <b>162,134</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 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 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.

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2024

### **A2. Accounting policies (continued)**

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.

### **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



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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2024

**A9. Segmental information (continued)**

Segmental earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the 6-month period ended 30 June 2024 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>	10,179	580	150	(718)	(130)	10,061
Included in the measure of segment EBITDA are:						
- Revenue from external customers	266,005	4,142	7,699	-	-	277,846
- (Allowance)/reversal of inventory write-down	(2,550)	-	5	-	-	(2,545)

**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 June 2024</b>
	<b>RM'000</b>
- Contracted	197,263
- Not Contracted	173,310
Total Capital Commitment	<u>370,573</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.

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

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

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

<u>Unsecured contingent liabilities</u>	<b>Company 30 June 2024 RM'000</b>
Corporate guarantee given to financial institutions in respect of banking facilities granted to subsidiaries	714,012

**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 June 2024</b>	<b>Year-to-date 30 June 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
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 second quarter ended 30 June 2024 (“Q2 FY2024”) compared with the corresponding quarter in Financial Year 2023 (“Q2 FY2023”)

	Q2 FY2024	Q2 FY2023	Change %
	RM'000	RM'000	
Revenue	141,533	178,979	-21
Profit Before Interest and Tax	2,289	7,158	-68
Profit Before Tax	1,818	5,497	-67

The Group’s revenue for Q2 FY2024 decreased by 21% compared to Q2 FY2023. Of the RM141.53 million revenue recorded in Q2 FY2024, approximately 96% was generated from the manufacturing segment and the remaining 4% was generated from its property development and construction segments. These percentages in Q2 FY2023 were 83% and 17% respectively. No external revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue in Q2 FY2024 of RM135.70 million, a decrease of 8% as compared to Q2 FY2023 which registered a revenue of RM147.83 million. This decrease was attributable to reduced shipments as well as base metal price which trended lower. Shipment volume was 2% lower mainly due to the decline in the exports of fin products to Europe and Thailand markets, partially offset by higher shipments 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 lower by 2% in Q2 FY2024 as compared to Q2 FY2023.

The property development segment posted a revenue of RM3.17 million in Q2 FY2024, which was a decrease of RM26.04 million as compared to RM29.21 million attained in Q2 FY2023 for its maiden EmHub project. This decrease was mainly attributable to lower sales in the current quarter as the EmHub project was already almost fully sold in FY2023 due to strong market demand.

Meanwhile, the construction segment’s external revenue registered an increase from RM2.60 million in Q2 FY2023 to RM3.11 million in Q2 FY2024, mainly attributable to 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 Second Quarter Ended 30 June 2024

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

Financial review of the second quarter ended 30 June 2024 (“Q2 FY2024”) compared with the corresponding quarter in Financial Year 2023 (“Q2 FY2023”) (continued)

The Group registered a profit before tax of RM1.82 million in Q2 FY2024 as compared to Q2 FY2023's profit before tax of RM5.50 million. The segmental breakdown was as follows:

	Q2 FY2024	Q2 FY2023	Change %
	RM'000	RM'000	
Manufacturing Segment	1,068	1,509	-29
Property Development Segment	1,430	3,837	-63
Construction Segment	(139)	(167)	17
Investment Holding Segment	(382)	(337)	-13
Inter-Segment Elimination	(159)	656	-124
Group Total	1,818	5,498	-67

The manufacturing segment registered a profit before tax in Q2 FY2024 of RM1.07 million versus Q2 FY2023's profit before tax of RM1.51 million. The lower profit before tax was mainly attributable to the lower revenue resulting from a decrease in sales volume, coupled with higher repairs and maintenance expenses, but partially offset by the strengthening of the USD currency vis-à-vis the Ringgit Malaysia by approximately 5% in Q2 FY2024 versus Q2 FY2023.

The property development segment recorded a profit before tax of RM1.43 million in Q2 FY2024, a decrease of RM2.41 million as compared to Q2 FY2023's profit before tax of RM3.84 million. This decrease was due mainly to the lower revenue recognized during Q2 FY2024 from its EmHub project, coupled with lower interest income and higher administrative expenses but partially offset by lower marketing expenses as compared to Q2 FY2023.

For the construction segment, it recorded a loss before tax of RM0.13 million in Q2 FY2024, due mainly to the completion of the construction of the Group's internal EmHub project in May 2023.

### B2. Financial review of the second quarter ended 30 June 2024 (“Q2 FY2024”) compared with the immediate preceding quarter ended 31 March 2024 (“Q1 FY2024”)

	Q2 FY2024	Q1 FY2024	Change %
	RM'000	RM'000	
Revenue	141,533	136,313	4
Profit Before Interest and Tax	2,289	2,550	-10
Profit Before Tax	1,818	428	325

The Group recorded a revenue of RM141.53 million in Q2 FY2024 which was higher by 4% as compared to the revenue of RM136.31 million registered in Q1 FY2024. This increase was largely attributable to both the manufacturing and property development segments.

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2024

**B2. Financial review of the second quarter ended 30 June 2024 (“Q2 FY2024”) compared with the immediate preceding quarter ended 31 March 2024 (“Q1 FY2024”) (continued)**

The manufacturing segment registered a revenue of RM135.70 million in Q2 FY2024 compared to its Q1 FY2024’s attainment of RM131.02 million. This increase was a result of higher shipment volumes of approximately 5% mainly in the export of specialty and bare fin products to the United States and Thailand markets respectively. In addition, the higher revenue was also attributable to the increase in the base metal price of 5%. This was further bolstered by the strengthening of the USD currency by approximately 1% in Q2 FY2024 versus Q1 FY2024. No external revenue was recorded in the investment holding segment.

The property development segment posted a revenue of RM3.17 million in Q2 FY2024 which was an increase of RM2.20 million as compared to RM0.97 million of revenue in Q1 FY2024 for its EmHub project. The increase in revenue was attributable to strong demand for the remaining few unsold units as the building becomes livelier with better occupancy. For the construction segment, it recorded a lower external revenue of RM3.11 million in Q2 FY2024 compared with Q1 FY2024’s external revenue of RM4.59 million, mainly attributable to its roofing and cladding projects.

The Group registered a profit before tax of RM1.82 million in Q2 FY2024 as compared to RM0.43 million in Q1 FY2024. The segmental breakdown as follows:

	Q2 FY2024	Q1 FY2024	Change %
	RM’000	RM’000	
Manufacturing Segment	1,068	453	136
Property Development Segment	1,430	126	1,035
Construction Segment	(139)	86	-260
Investment Holding Segment	(382)	(313)	-22
Inter-Segment Elimination	(159)	76	-309
Group Total	1,818	428	325

The manufacturing segment registered a profit before tax in Q2 FY2024 of RM1.07 million versus Q1 FY2024’s profit before tax of RM0.45 million. This higher profit before tax was mainly attributable to the higher revenue due to the increase in sales volume, coupled with lower allowance for slow moving inventories and better control of overall costs in Q2 FY2024.

The property development segment recorded a profit before tax of RM1.43 million in Q2 FY2024 compared with Q1 FY2024’s profit before tax of RM0.13 million. This increase was due mainly to the higher revenue recognized in the current quarter from its EmHub project, coupled with lower marketing expenses, but partially offset by lower interest income and higher administrative expenses. On the other hand, the construction segment recorded a pre-tax loss of RM0.14 million in Q2 FY2024, due mainly to the completion of the construction of the Group’s internal EmHub project.

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2024

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

	YTD FY 2024	YTD FY 2023	Change %
	RM'000	RM'000	
Revenue	277,846	365,470	-24
Profit Before Interest and Tax	4,839	18,638	-74
Profit Before Tax	2,246	15,414	-85

The Group’s revenue for YTD FY2024 decreased by RM87.62 million or 24% to RM277.85 million as compared to YTD FY2023. Of the RM277.85 million revenue, RM266.71 million was attributable from the manufacturing segment with the remaining RM11.14 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 RM0.35 million in revenue to RM266.71 million for YTD FY2024 as compared to YTD FY2023’s attainment of RM266.36 million. This marginal 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 by approximately 6% in YTD FY2024 versus YTD FY2023. However, this was partially offset by a lower base metal price; it was approximately 5% lower in YTD FY2024 versus YTD FY2023.

The property development segment registered a revenue of RM4.14 million in YTD FY2024, which was a decrease of RM88.93 million when compared to YTD FY2023’s revenue of RM93.07 million. This 96% 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 external revenue of RM7.70 million in YTD FY2024 which was similar to the external revenue that was recorded in YTD FY2023, mainly generated from its roofing projects.

The Group registered a profit before tax of RM2.25 million for YTD FY2024 as compared to YTD FY2023’s profit before tax of RM15.41 million. The segmental breakdown was as follows:-

	YTD FY2024	YTD FY2023	Change %
	RM'000	RM'000	
Manufacturing Segment	1,521	(8,255)	118
Property Development Segment	1,556	20,688	-92
Construction Segment	(52)	939	-106
Investment Holding Segment	(696)	(587)	-19
Inter Segment Elimination	(83)	2,629	-103
Group Total	2,246	15,414	-85

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2024

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

The manufacturing segment recorded a profit before tax of RM1.52 million in YTD FY2024 versus YTD FY2023’s loss before tax of RM8.26 million. This profit before tax was mainly attributable to the higher revenue due to a 5% increase in shipment volume, as well as lower energy costs and better control of overall costs in YTD FY2024.

The property development segment’s pre-tax profit had decreased by 92% to RM1.56 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 pre-tax loss of RM0.05 million in YTD FY2024, due largely to completion of the construction of the Group’s internal EmHub project in May 2023.

### **B4. Commentary on Prospects**

The global economic growth continues to show resilience, defying fears of stagflation. According to the World Economic Outlook issued in April 2024 by the International Monetary Fund, global inflation is forecast to decline steadily from 6.8 percent in 2023 to 5.9 percent in 2024. Per the World Economic Outlook Update issued in July 2024, global growth is projected to be 3.2% for 2024, with Malaysia expected to grow by 4.4%. This bodes well for global economic stabilization. However, rising trade tensions between the US and China, ongoing conflicts in the Middle East and uncertainty surrounding future economic policies due to major presidential and legislative elections in 2024 could hamper overall growth. The Group’s manufacturing segment, which is primarily export-oriented, remains cautiously optimistic in this uncertain market environment while continuing to explore new markets and products, focusing on its longer-term growth strategy.

Meanwhile, Malaysia’s property market is expected to be stable in 2024 and appears promising, barring any significant upheaval. Market performance is anticipated to vary, significantly influenced by property location and upcoming infrastructure projects.

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 situated 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 buying property in the Klang region. The segment intends to develop the subject land into a proposed mixed development project, comprising commercial lots, SOHO and service apartments. 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):

	<b>Second Quarter ended 30 June 2024 RM'000</b>	<b>Year-to-date 30 June 2024 RM'000</b>
Interest income	(1,170)	(1,603)
Interest expense	1,617	4,150
Interest expense on lease liabilities	24	46
Amortisation of intangible assets	37	75
Allowance for inventory write-down	1,012	2,545
Depreciation of:		
- Property, plant and equipment	2,215	4,335
- Right-of-use assets	423	811
Foreign exchange (gain)/loss:		
- Realised	(164)	432
- Unrealised	125	574
Net fair value loss/(gain) on derivatives	192	(488)

**B7. Taxation**

	<b>Second Quarter ended</b>		<b>Year-to-date</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current Tax</b>				
- current year	(2,631)	(2,386)	(3,343)	(6,794)
<b>Deferred Taxation</b>				
- Origination and reversal of temporary differences	1,997	389	2,598	1,779
	(634)	(1,997)	(744)	(5,015)

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.

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

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### B8. Status of Corporate Proposals

On 14 April 2023, the Company announced that AG Avenue Sdn. Bhd., a wholly-owned indirect subsidiary of the Company, entered into a conditional Sale and Purchase Agreement (“SPA”) with 88 Legacy Sdn. Bhd., a wholly-owned subsidiary of Malaysia Building Society Berhad for the acquisition of 2 parcels of contiguous leasehold vacant commercial land held under the land title no. PM 416, Lot 31632 and PM 417, Lot 31633, located in Mukim Kapar, Tempatan Bukit Raja, Daerah Klang, Negeri Selangor, measuring an aggregate of approximately 7.08 acres (equivalent to approximately 28,651 square metres), for a total purchase consideration of RM56,000,000 (hereinafter referred to as “the Proposed Acquisition”). The Proposed Acquisition was approved by shareholders on 26 July 2023. Both parties mutually agreed to the extension of the Conditions Precedent (“CP”) Period as stated in the SPA to 18 June 2024. The CP have been fulfilled on 5 June 2024 and the payment for the balance of the purchase consideration has been settled in full on 24 June 2024, hence marking the completion of the Proposed Acquisition.

Other than the above, there was no other corporate exercise proposal announced that has not been completed as at the date of this announcement.

### B9. Group Borrowings

The Group’s borrowings as at 30 June 2024 were as follows:

	Long-Term RM’000	Short-Term RM’000	Total RM’000
<u>Secured</u>			
-Term Loans	81,011	7,001	88,012
-Finance lease liabilities	268	125	393
-Revolving credit	-	118,000	118,000
-Trade lines	-	43,300	43,300
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	1	1
	81,279	168,427	249,706

### B10. Derivative Financial Instruments

As at 30 June 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	-	-
- Receivable	-	-

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**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.

**B13. Earnings Per Share**

	<b>Second Quarter ended 30 June 2024</b>	<b>Second Quarter ended 30 June 2023</b>	<b>Year-to-date 30 June 2024</b>	<b>Year-to-date 30 June 2023</b>
Net profit attributable to owners of the Company (RM'000)	1,195	3,504	1,464	10,315
Weighted average number of ordinary shares in issue ('000)	134,331	134,331	134,331	134,331
Basic earnings per share (sen)	0.89	2.61	1.09	7.68

**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 27 August 2024.

**BY ORDER OF THE BOARD**  
**27 August 2024**