



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

ALCOM GROUP BERHAD (1261259-V)**Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 December 2018
(Unaudited)**

	Quarter ended 31 December	Quarter ended 31 December	12 months ended 31 December	12 months ended 31 December
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	100,761	N/A	385,703	N/A
Expenses excluding tax	(96,484)	N/A	(378,509)	N/A
Other operating income	258	N/A	778	N/A
Profit before tax	4,535	N/A	7,972	N/A
Taxation	(1,109)	N/A	(4,535)	N/A
Net profit for the period	3,426	N/A	3,437	N/A
Other comprehensive income :				
<u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial gains on gratuity scheme	-	N/A	-	N/A
Taxation relating to component of other comprehensive income	-	N/A	-	N/A
Other comprehensive income for the period, net of tax	-	N/A	-	N/A
Total comprehensive income for the period	3,426	N/A	3,437	N/A
Attributable to:				
- Shareholders of the Company	3,426	N/A	3,437	N/A
	3,426	N/A	3,437	N/A
Basic earnings per ordinary share (sen)	2.55	N/A	2.56	N/A
Diluted earnings per ordinary share (sen)	2.55	N/A	2.56	N/A

**** In the previous financial period, Aluminium Company of Malaysia Berhad ("Alcom") Group of Companies ("Alcom Group" or "the Group") changed its financial year end from 31 March to 31 December. As a result, there are no comparative figures presented for the current quarter and year-to-date ended 31 December 2018.**

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)

ALCOM GROUP BERHAD (1261259-V)**Condensed Consolidated Statement of Financial Position as at 31 December 2018 (Unaudited)**

	UNAUDITED As At 31 December 2018 RM'000	AUDITED As At 31 December 2017 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	67,090	63,684
Intangible assets	1,248	2,159
Deferred tax assets	810	-
Long term receivables	461	-
	<u>69,609</u>	<u>65,843</u>
CURRENT ASSETS		
Inventories	68,976	67,874
Trade receivables	41,150	45,000
Other receivables and prepayments	6,599	16,871
Tax recoverable	335	-
Derivative financial instruments	443	816
Deposits, cash and bank balances	40,232	45,885
Property development costs	105,392	-
	<u>263,127</u>	<u>176,446</u>
TOTAL ASSETS	<u><u>332,736</u></u>	<u><u>242,289</u></u>
CAPITAL AND RESERVES		
Share capital	104,778	100,123
Treasury shares	-	(1,091)
Revenue reserve	17,643	19,238
Total Equity	<u>122,421</u>	<u>118,270</u>
NON-CURRENT LIABILITIES		
Provision for gratuity scheme	4,142	4,436
Deferred tax liabilities	3,488	3,912
Loans and borrowings	139,932	69,432
	<u>147,562</u>	<u>77,780</u>
CURRENT LIABILITIES		
Trade payables	39,019	27,131
Other payables and accruals	15,255	15,814
Provision for taxation	1,551	2,296
Loans and borrowings	6,928	998
	<u>62,753</u>	<u>46,239</u>
TOTAL LIABILITIES	<u>210,315</u>	<u>124,019</u>
TOTAL EQUITY AND LIABILITIES	<u><u>332,736</u></u>	<u><u>242,289</u></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)

ALCOM GROUP BERHAD (1261259-V)
Condensed Consolidated Statement of Changes In Equity for the quarter ended 31 December 2018
(Unaudited)

	Share capital RM'000	<u>Non- distributable</u> Treasury shares RM'000	<u>Distributable</u> Revenue reserve RM'000	Total RM'000
Balance as at 1 January 2018	100,123	(1,091)	19,238	118,270
<u>Total comprehensive income:</u>				
Profit for the period	-	-	3,437	3,437
Total comprehensive income for the period	-	-	3,437	3,437
<u>Transactions with owners:</u>				
Disposal of treasury shares	-	1,091	(377)	714
Internal reorganisation	4,655	-	(4,655)	-
Total transactions with owners for the period	4,655	1,091	(5,032)	714
Balance as at 31 December 2018	104,778	-	17,643	122,421
Balance as at 1 January 2017	N/A	N/A	N/A	N/A
<u>Total comprehensive income:</u>				
Profit for the period	N/A	N/A	N/A	N/A
Actuarial gains on gratuity scheme, net of tax	N/A	N/A	N/A	N/A
Total comprehensive income for the period	N/A	N/A	N/A	N/A
Balance as at 31 December 2017	N/A	N/A	N/A	N/A

**** In the previous financial period, Alcom Group changed its financial year end from 31 March to 31 December. As a result, there are no comparative figures presented for the current quarter.**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)

ALCOM GROUP BERHAD (1261259-V)**Condensed Consolidated Statement of Cash Flows for the quarter ended 31 December 2018****(Unaudited)**

	12 months ended 31 December 2018 RM'000	12 months ended 31 December 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,972	N/A
Adjustment for:-		
Net fair value loss on currency forwards	373	N/A
Property, plant and equipment		N/A
- depreciation	7,793	N/A
- gain on disposal	(135)	N/A
- Property, plant and equipment written off	8	N/A
Intangible assets		N/A
- amortisation	473	N/A
Provision for gratuity scheme	456	N/A
Allowance for inventory writedown	302	N/A
Unrealised foreign exchange gain	(232)	N/A
Interest Income	(312)	N/A
Interest Expense	3,537	N/A
Allowance for doubtful debts	156	N/A
	20,391	N/A
Changes in Working Capital:-		
Inventories	(1,404)	N/A
Receivables	14,221	N/A
Payables	11,079	N/A
Property development cost	(102,925)	N/A
Cash used in operations	(58,638)	N/A
Tax paid	(6,846)	N/A
Gratuity paid	(777)	N/A
Net cash used in operating activities	(66,261)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- purchases	(10,778)	N/A
- proceeds from disposal	144	N/A
Interest income received	305	N/A
Net cash used in investing activities	(10,329)	N/A
CASH FLOWS FROM FINANCING ACTIVITY		
Drawdown of borrowings	76,430	N/A
Proceed from disposal of treasury shares	714	N/A
Interest paid	(5,671)	N/A
Net cash generated from financing activities	71,473	N/A
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(5,117)	N/A
Foreign exchange differences	(534)	N/A
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	45,883	N/A
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	40,232	N/A

**** In the previous financial period, Alcom Group changed its financial year end from 31 March to 31 December. As a result, there are no comparative figures presented for the current quarter.**

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Alcom Group for the 9-month period ended 31 December 2017)

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

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”).

On 16 August 2018, the Internal Reorganisation of Aluminium Company of Malaysia Berhad (“Alcom”) in which Alcom Group Berhad (“AGB”) was established as the new holding company was completed. As a result, AGB has assumed the listing status of Alcom and Alcom became a wholly-owned subsidiary of AGB. The Internal Reorganisation does not result in any change of economic substance of the Group.

The consolidated financial statements of the new AGB Group have been prepared using the merger accounting principles for the combining entities with common control. To that effect, the accounting for the combining entities is made as though that no acquisition had occurred and the separate entities continuing as before. Accordingly, the comparative figures in the condensed consolidated statement of comprehensive income shall be presented as if the reorganisation had been effected from the beginning of the earliest period presented. Due to the change of financial year end of Alcom Group from 31 March to 31 December in the previous financial period, there are no comparative figures available for this report.

The interim financial statements should be read in conjunction with Alcom Group's financial statements for the 9-month period ended 31 December 2017. 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 period ended 31 December 2017.

A2. Accounting policies

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of Alcom Group for the financial period ended 31 December 2017 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

The application of the standards and amendments to the standards do not have a material impact to the financial statements of the Group and the Company.

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A2. Accounting policies (continued)

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issue Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group and the Company:-

(i) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement

(ii) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to References to the Conceptual Framework in MFRS Standards
 - a) Amendment to MFRS 3, Business Combinations
 - b) Amendments to MFRS 101, Presentation of Financial Statements
 - c) Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
 - d) Amendments to MFRS 134, Interim Financial Reporting
 - e) Amendment to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
 - f) Amendment to MFRS 138, Intangible Assets
 - g) Amendment to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
 - h) Amendment to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
 - i) Amendments to IC Interpretation 132, Intangible Assets—Web Site Costs

The Group plans to apply the abovementioned accounting standards, interpretations and amendments.

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A2. Accounting policies (continued)

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has completed the assessment of the impact on its financial statements.

At 1 January 2019, the Group estimates that it will recognise lease liabilities approximately of RM1.85 million and right-of-use assets approximately of RM1.83 million.

A3. Audit Report of the preceding annual Financial Statements

The audit report of Alcom 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 quarter 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 financial year-to-date results.

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A7. Debt and Equity Securities

On 9 July 2018 and 10 July 2018, Alcom resold a total of 1,000,000 treasury shares in the open market. The average resale price of the treasury shares was RM0.71 per share. With the disposal, there are no outstanding balance of treasury shares in Alcom.

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A8. Dividends paid

No dividend has been paid during the quarter under review.

A9. Segmental information

The Group which operates in Malaysia was involved in 3 segments, principally:-

- 1) Investment holding
- 2) manufacturing of aluminium products
- 3) property holding, development and construction

The following revenues for the manufacturing segment and are based on the regions in which the customers are located :-

	Revenue	
	Quarter Ended 31 December 2018 RM'000	Year-To-Date 31 December 2018 RM'000
Malaysia	22,469	93,968
Thailand	16,397	83,487
India	29,190	96,975
Asia (excluding Malaysia, Thailand and India)	4,540	17,986
Europe	16,870	53,985
Middle East	3,660	27,668
Others	7,635	11,634
Total	<u>100,761</u>	<u>385,703</u>

Included in the revenue line of the Malaysia location above is sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas which amounted to RM1.35 million for the current quarter and RM9.30 million for year-to-date ended 31 December 2018.

There were no revenues for investment holding segment and property segment. The property segment was still in its developmental phase.

A10. Valuation of Property, Plant and Equipment

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

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A11. Capital Commitments

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

	Group 31 December 2018 RM'000
- Contracted	3,836
- Not Contracted	13,888
Total Capital Commitment	<u>17,724</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

Apart from Note A1, on 27 August 2018, AGB had acquired one (1) ordinary share representing the entire issued and paid-up share capital of SCLand Development Sdn Bhd (“SDSB”) from Alcom at a total consideration of RM1. SDSB has become a wholly-owned direct subsidiary of AGB from the said acquisition.

The acquisition of SDSB does not have any material effect on the share capital and number of issued shares of AGB nor the shareholdings of the substantial shareholders of AGB. It also did not have any material effect on the net assets and earnings per share of AGB as well as the gearing of AGB for the financial period under review.

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

A14. Changes in contingent liabilities or contingent assets

The contingent liabilities as at 31 December 2018 are as follows:

	Group 31 December 2018 RM'000
<u>Unsecured contingent liabilities</u>	
Corporate guarantee provided to secure banking facility granted to wholly-owned indirect subsidiaries	208,328

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

B1. Review of Group Performance

	Individual Quarter (4 th Quarter)		* Change %	Cumulative Quarters		* Change %
	Current Year Quarter	Preceding Year Corresponding Quarter*		Current Year-To-Date	Preceding Year Corresponding Period*	
	31 December 2018	31 December 2017		31 December 2018	31 December 2017	
	RM' 000	RM' 000		RM' 000	RM' 000	
Revenue	100,761	N/A	N/A	385,703	N/A	N/A
Profit Before Interest and Tax	4,986	N/A	N/A	11,197	N/A	N/A
Profit Before Tax	4,535	N/A	N/A	7,972	N/A	N/A

**Due to the change in financial year end from 31 March to 31 December, there are no comparative figures and comparative commentaries included in the financial review.*

Financial review of fourth quarter ended 31 December 2018 (“Q4 FY2018”)

The Group recorded a revenue of RM100.76 million in Q4 FY2018 from its manufacturing business segment as it rebounded strongly to the momentum it attained in the first two quarters of FY2018 after experiencing a contraction in the third quarter which was in tandem with the annual seasonal downturn. This revenue achievement was largely attributable to the strategy of aggressively maintaining selling prices despite the stiff competitive landscape. The coated fin product category was the largest contributor, accounting for 51% of the total shipment volume with the other product categories generating the remaining 49%.

No revenues were recorded in the segments of property and investment holding. The property segment was still in its developmental phase of its project.

The Group attained a profit before tax of RM4.54 million in Q4 FY2018, which represented 56% of Financial Year 2018’s profit before tax. This Q4 FY2018 result was net of the property and investment holding segments’ expenses of RM2.06 million and RM0.43 million respectively. The property segment costs which primarily were pre-developmental in nature included expenses mainly for marketing related activities, staff related costs and net of interest costs that was capitalised whilst the investment holding segment incurred expenses mainly for staff related costs.

The manufacturing segment recorded a healthy contribution in Q4 FY2018; generating approximately 30% of the total contribution for FY2018. This was the result of maintaining selling prices, achieving good productivity and recording a favourable metal price lag*. In addition, there were reversals of inventories’ provisions as per inventory policy and a one-off inventory adjustment gain following annual physical metal stock count during the quarter. These were partially offset by an increased provision for staff bonus and marginally higher repairs & maintenance expenses and depreciation charges relative to the earlier three individual quarters.

**metal price lag refers to timing differences experienced on the pass through of changing aluminium prices based on the price we pay for aluminium and the price we charge our customers*

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B1. Review of Alcom Group’s Performance (continued)

Financial review for Financial Year Ended 31 December 2018 (“FY2018”)

The Group recorded a revenue of RM385.70 million for FY2018 with export sales accounting for 76% of the total revenue. The main export destinations were India, Thailand and Europe. This strong performance was against the background of a very challenging competitive landscape.

A marginally higher base metal cost also aided in the higher revenue achievement as these costs are passed on to customers. Base metal costs which comprise of aluminium prices quoted on the London Metal Exchange and transport premium, increased on average, by approximately 2% over the 12 month period. However, the revenue was impacted by approximately 3% in FY2018 by the strengthening of the ringgit vis-a-vis the USD currency relative to the last quarter of 2017.

No revenue was recorded for the segments of property and investment holding. The property segment was still in its developmental phase of its project.

The Group registered a profit before tax of RM7.97 million for FY2018 which was net of the property and investment holding segments’ expenses of RM6.48 million and RM0.76 million respectively. Property segment expenses were incurred mainly for stamp duty of a loan agreement, marketing related expenses, staff related costs and interest expenses whilst the investment holding company expenses were mainly for staff related costs and directors’ fees.

The manufacturing segment recorded a profit before tax of RM15.22 million for FY2018. This was mainly attributable to the attainment of a commendable contribution level and operating costs generally within targets. The commendable contribution achievement was the consequence of maintaining selling prices, controlled factory operational costs and the achievement of high productivity levels during the financial year as the factories operated at full capacity save for planned shutdowns. In addition, there was a one-off inventory adjustment gain following the annual physical metal stock count, offset partially by compensation for material replacement to a customer due to quality issues. The result was also net of professional fees totaling RM0.73 million incurred for the internal reorganisation of the Group which was completed in August 2018. In addition, loan interest charges of RM3.97million was incurred in FY2018.

B2. Financial review of the fourth quarter ended 31 December 2018 (“Q4 FY2018”) compared with the immediate preceding quarter ended 30 September 2018 (“Q3 FY2018”)

	Current Year Quarter 31 December 2018	Immediate Preceding Quarter 30 September 2018	Change (%)
	RM' 000	RM' 000	
Revenue	100,761	83,050	21
Profit Before Interest and Tax	4,986	1,896	163
Profit Before Tax	4,535	973	366

The significant improvement in profit before tax in Q4 FY2018 over Q3 FY2018 of approximately RM3.56 million was largely attributable from the manufacturing segment offset partially by increased expenses in the property and investment holding segments.

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

B2. Financial review of the fourth quarter ended 31 December 2018 (“Q4 FY2018”) compared with the immediate preceding quarter ended 30 September 2018 (“Q3 FY2018”) (continued)

Revenue which was solely attributable from the manufacturing segment, grew in Q4 FY2018 by RM17.71 million with an increased shipment volume of 25% as the segment recovered from Q3 FY2018’s seasonal downturn. This revenue increase coupled with a productivity improvement resulted in contribution to increase by 24% in Q4 FY2018 compared to Q3 FY2018.

The Q4 FY2018’s one-off inventory adjustment gain following the annual physical metal stock count and reversal of inventories’ provisions also aided in the improved profit before tax result. This was partially offset by comparatively lower metal price lag* gain, an increased provision for staff bonus, higher repairs & maintenance expenses and higher depreciation charges in Q4 FY2018 compared to Q3 FY2018.

The property segment expenses increased in Q4 2018 compared to Q3 FY2018 by RM0.27 million mainly from higher marketing related expenses and bonus provisions whilst the investment holding segment expenses increased by RM0.11 million.

**metal price lag refers to timing differences experienced on the pass through of changing aluminium prices based on the price we pay for aluminium and the price we charge our customers*

B3. Commentary on Prospects

The global economy has generally weakened due to the unresolved trade tensions between the United States and its trading partners. A “no-deal” BREXIT and a slowdown in China which is expected to be higher than envisaged could further contribute to the negative impact on growth of the decelerating global economy. Other concerns include increased protectionism and the volatile US Dollar which is envisaged to strengthen relative to the Ringgit in 2019.

Against the above rapidly evolving business environment, the manufacturing segment will stay vigilant and responsive to market trends and changes as it endeavors to increase its presence in selective export markets. At the same time, it will continue to strengthen its operating cost performance in 2019; being committed in ensuring that costs are maintained within targets to remain competitive whilst protecting its margins.

Meanwhile, the property segment will begin recognising revenue from the second quarter of 2019 onwards for its EmHub project located at Kota Damansara.

B4. Variance of actual profit from forecast profit

Not applicable.

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

B5. Profit for the Period

Profit for the period is arrived at after charging/(crediting):

	Quarter ended 31 December 2018 RM'000	Year-To-Date 31 December 2018 RM'000
Interest income	(100)	(312)
Interest expense	551	3,537
Depreciation and amortization	2,165	8,266
(Reversal)/allowance for inventory writedown	(626)	302
Foreign exchange loss/(gain)		
- Realised	64	(290)
- Unrealised	620	(232)
Net fair value (gain)/loss on derivatives	(595)	373
Gain on disposal of property, plant and equipment	-	(135)
Property, plant and equipment written off	-	8
Allowance for doubtful debts	156	156

B6. Taxation

	Quarter ended		Year-To-Date	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	(1,834)	N/A	(5,769)	N/A
Deferred Taxation				
- Origination and reversal of temporary differences	725	N/A	1,234	N/A
	(1,109)	N/A	(4,535)	N/A

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

B7. Status of Corporate Proposals

There were no corporate proposals announced which have not been completed as at 22 February 2019 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

B8. Group Borrowings

The Group's borrowings as at 31 December 2018 were as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
Term Loan	139,515	2,917	142,432
<u>Unsecured</u>			
Finance lease liabilities	417	116	533
Revolving credit	-	2,945	2,945
Corporate credit card facility from a financial institution	-	950	950
	139,932	6,928	146,860

B9. Derivative Financial Instruments

As at 31 December 2018, 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	7,586	7,582
- Receivable	51,298	50,851

B10. Changes in Material Litigation

Not applicable.

B11. Dividend Payable

No dividend in respect of the financial period under review has been declared.

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2018

B12. Earnings Per Share

	Quarter ended 31 December 2018	Quarter ended 31 December 2017	Year-To-Date 31 December 2018	Year-To-Date 31 December 2017
Net profit attributable to shareholders (RM'000)	3,426	N/A	3,437	N/A
Weighted average number of ordinary shares in issue (000)	134,331	N/A	134,331	N/A
Basic earnings per share (sen)	2.55	N/A	2.56	N/A

B13. Authorization of Issue

The interim financial statements were authorized for issue by the Board of Directors of AGB in accordance with a resolution of the Directors passed on 27 February 2019.

BY ORDER OF THE BOARD
27 February 2019