



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED
31 DECEMBER 2020**

ALCOM GROUP BERHAD (201701047083 (1261259-V))**Condensed Consolidated Statement of Comprehensive Income for the 4th quarter and Financial Year ended 31 December 2020 (Unaudited)**

	Quarter ended 31 December 2020	Quarter ended 31 December 2019	12 months ended 31 December 2020	12 months ended 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	109,633	100,279	316,402	372,653
Expenses excluding tax	(102,571)	(99,497)	(317,740)	(370,252)
Other operating income	1,527	559	2,219	1,237
Profit before tax	8,589	1,341	881	3,638
Taxation	1,485	(1,319)	434	(3,315)
Net profit	10,074	22	1,315	323
Other comprehensive expense, net of tax : <u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial loss on gratuity scheme	-	(690)	-	(690)
Taxation relating to component of other comprehensive expense	-	166	-	166
Other comprehensive expense, net of tax	-	(524)	-	(524)
Total comprehensive income/(expense)	10,074	(502)	1,315	(201)
Attributable to: - Shareholders of the Company	10,074	(502)	1,315	(201)
	10,074	(502)	1,315	(201)
Basic earnings per ordinary share (sen)	7.50	0.02	0.98	0.24

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Financial Position as at 31 December 2020 (Unaudited)

	UNAUDITED As At 31 December 2020 RM'000	AUDITED As At 31 December 2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	72,344	79,074
Intangible assets	2,722	3,440
Deferred tax assets	1,979	810
	<u>77,045</u>	<u>83,324</u>
CURRENT ASSETS		
Inventories	213,898	182,673
Trade receivables	25,772	24,198
Other receivables and prepayments	15,566	4,332
Amount due from related companies	83	21
Tax recoverable	3,227	1,774
Derivative financial instruments	424	334
Cash and bank balances	48,109	51,929
Contract assets	1,628	925
Contract costs	22,246	24,496
	<u>330,953</u>	<u>290,682</u>
TOTAL ASSETS	<u>407,998</u>	<u>374,006</u>
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	18,675	17,360
Total Equity	<u>123,453</u>	<u>122,138</u>
NON-CURRENT LIABILITIES		
Provision for gratuity scheme	4,104	4,277
Deferred tax liabilities	1,019	3,051
Loans and borrowings	140,311	107,787
Lease liabilities	1,087	1,299
	<u>146,521</u>	<u>116,414</u>
CURRENT LIABILITIES		
Trade payables	48,127	41,321
Other payables and accruals	17,370	26,332
Provision for taxation	141	708
Loans and borrowings	32,131	43,265
Lease liabilities	999	1,100
Contract liabilities	39,256	22,728
	<u>138,024</u>	<u>135,454</u>
TOTAL LIABILITIES	<u>284,545</u>	<u>251,868</u>
TOTAL EQUITY AND LIABILITIES	<u>407,998</u>	<u>374,006</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 2019 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Changes In Equity for the Financial Year ended
31 December 2020 (Unaudited)

	<u>Non-distributable</u> Share capital RM'000	<u>Treasury</u> shares RM'000	<u>Distributable</u> Retained earnings RM'000	Total RM'000
Balance as at 1 January 2020	104,778	-	17,360	122,138
<u>Total comprehensive income:</u>				
Profit for the year	-	-	1,315	1,315
Total comprehensive income for the year	-	-	1,315	1,315
Balance as at 31 December 2020	104,778	-	18,675	123,453
Balance as at 1 January 2019 - as previously reported	104,778	-	17,643	122,421
Impact of change in accounting policy - MFRS16	-	-	(82)	(82)
Adjusted balances at 1 January 2019	104,778	-	17,561	122,339
<u>Total comprehensive income:</u>				
Profit for the year	-	-	323	323
Actuarial loss on gratuity scheme, net of tax	-	-	(524)	(524)
Total comprehensive expense for the year	-	-	(201)	(201)
Balance as at 31 December 2019	104,778	-	17,360	122,138

(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 2019 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (201701047083 (1261259-V))
Condensed Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2020
(Unaudited)

	12 months ended 31 December 2020	12 months ended 31 December 2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	881	3,638
Adjustments for:-		
Net fair value (gain)/loss on currency forwards	(90)	109
Property, plant and equipment		
- depreciation	9,022	8,480
- gain on disposal	(45)	(34)
- written off	-	16
- reversal of impairment loss	-	(7)
Intangible assets		
- amortisation	734	901
Right-of-use assets		
- depreciation	1,486	1,285
(Reversal of)/provision for gratuity scheme	(172)	438
Allowance for inventory writedown	1,023	70
Unrealised foreign exchange gain	(407)	(11)
Interest income	(602)	(1,111)
Interest expense	5,059	6,099
Interest expense on lease liabilities	160	138
Bad debts written off	-	21
Allowance for/(reversal of) doubtful debts	109	(3)
	17,158	20,029
Changes in Working Capital:-		
Inventories	(30,449)	(8,375)
Receivables	(12,405)	19,197
Payables	(1,161)	13,436
Contract assets	(703)	(925)
Contract costs	2,251	(24,496)
Contract liabilities	16,527	22,728
Balances with related companies	(62)	(21)
Cash (used in)/generated from operations	(8,844)	41,573
Tax paid	(4,787)	(6,014)
Gratuity paid	(888)	(837)
Net cash (used in)/from operating activities	(14,519)	34,722
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- purchases	(2,981)	(17,720)
- proceeds from disposal	162	97
Intangible assets		
- purchases	(46)	(3,093)
Interest income received	604	1,104
Net cash used in investing activities	(2,261)	(19,612)
CASH FLOWS FROM FINANCING ACTIVITY		
Changes in deposit pledged	(40)	(44)
Proceeds from borrowings	21,389	4,192
Payment of lease liabilities	(1,471)	(1,240)
Interest paid	(6,687)	(6,789)
Net cash from/(used in) financing activities	13,191	(3,881)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(3,589)	11,229
Foreign exchange differences	(271)	424
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	50,781	39,128
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	46,921	50,781

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 2019. 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 2019.

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 2019 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- Amendments to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

The application of the standards and amendments to the standards above do not have a material impact to the interim financial statements of the Group and 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 are 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 June 2020**
 - Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions
- (ii) MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021**
 - Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

A2. Accounting policies (continued)

(iii) MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

(iv) MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts*
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

(v) MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments once they become effective, except for those marked as (“*”) which are not applicable to the Group and the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current year and prior year financial statements of the Group and 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.

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020

A5. Unusual items affecting assets, liabilities, equity, net income, or cash flow

During the current quarter and financial year under review, there were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group.

A6. Material changes in estimates

There were no significant changes in estimates that have had a material effect on the results of the current quarter and financial year under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year under review.

A8. Dividends paid

No dividend was paid during the current quarter and financial year 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 commercial properties
- 3) Construction - property construction works and supply and installation of roofing systems
- 4) Investment holding

Segmental earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the financial year ended 31 December 2020 were as follows:-

	Manufacturing	Property Development	Construction	Investment Holding	Inter Segment Elimination	Group
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Segment EBITDA	2,152	14,511	2,964	434	-3,321	16,740
Included in the measure of segment EBITDA are:						
- Revenue from external customers	257,720	54,208	4,474	-	-	316,402
- Allowance of inventory writedown	(1,023)	-	-	-	-	(1,023)

A10. Valuation of Property, Plant and Equipment

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

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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 2020 RM'000
- Contracted	989
- Not Contracted	2,158
Total Capital Commitment	<u>3,147</u>

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

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

A13. Changes in the composition of the Group

There were no changes in the composition of the Group at the date of this report.

A14. Changes in contingent liabilities or contingent assets

The contingent liabilities as at 31 December 2020 were as follows:

<u>Unsecured contingent liabilities</u>	Company 31 December 2020 RM'000
Corporate guarantee given to financial institutions in respect of banking facilities granted to subsidiaries	233,000

A15. Related party disclosures

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

	Group	
	Quarter ended 31 December 2020	Year ended 31 December 2020
	RM'000	RM'000
Sales of Finished Goods	589	2,133

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

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

B1. Review of Group Performance

Financial review of the fourth quarter ended 31 December 2020 (“Q4 FY2020”) compared with the immediate preceding quarter ended 30 September 2020 (“Q3 FY2020”)

	Q4 FY2020	Q3 FY2020	Change %
	RM'000	RM'000	
Revenue	109,633	70,744	55
Profit/(Loss) Before Interest and Tax	9,501	(758)	1,353
Profit/(Loss) Before Tax	8,589	(1,711)	602

The Group recorded a revenue of RM109.63 million in Q4 FY2020 which was higher by RM38.89 million compared to the revenue of RM70.74 million registered in Q3 FY2020. This 55% increase was largely contributed by the manufacturing and property development segments.

The manufacturing segment registered a revenue of RM77.58 million in Q4 FY2020 compared to its Q3 FY2020's attainment of RM59.97 million. This increase was attributable to an increased shipment volume and higher base metal costs. Shipment volume was 29% higher derived mainly from selected export markets whilst base metal costs was higher by 13%. Base metal costs which is denominated in USD comprises aluminium prices quoted on the London Metal Exchange and transport premium.

The property development segment increased its revenue to RM29.94 million in Q4 FY2020 for its maiden EmHub project; an increase of RM19.69 million as compared to Q3 FY2020's revenue of RM10.25 million. This increase was due mainly to the increase in the number of units sold and the substantial progress in construction works which have resulted in a higher percentage of revenue being recognized during Q4 FY2020. For the construction segment, it recorded an increase in external revenue of RM1.58 million. No revenue was recorded in the investment holding segment.

The Group registered a profit before tax of RM8.59 million in Q4 FY2020 as compared to a pre-tax loss in Q3 FY2020 of RM1.71 million; the segmental breakdown were as follows:-

	Q4 FY2020	Q3 FY2020	Change %
	RM'000	RM'000	
Manufacturing Segment	(1,916)	(2,250)	15
Property Development Segment	10,103	547	1,747
Construction Segment	1,453	1,016	43
Investment Holding Segment	1,088	(206)	628
Inter Segment Elimination	(2,139)	(817)	-162
Group Total	8,589	(1,711)	602

The manufacturing segment's improved pre-tax result of 15% or RM0.33 million was derived mainly from the increased contribution resulting from the higher shipment volume net of higher freight costs and an increased usage of external reroll coils to supplement in-house production capacity.

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B1. Review of Group Performance (continued)**Financial review of the fourth quarter ended 31 December 2020 (“Q4 FY2020”) compared with the immediate preceding quarter ended 30 September 2020 (“Q3 FY2020”) (continued)**

The property development segment’s pre-tax result improved significantly mainly due to the higher sales attained and the accelerated construction progress which have led to the higher recognition of progressive profits during Q4 FY2020. On the other hand, the construction segment’s pre-tax profit was mainly generated from the Group’s internal EmHub project.

B2. Financial review of the fourth quarter ended 31 December 2020 (“Q4 FY2020”) compared with the corresponding quarter in Financial Year 2019 (“Q4 FY2019”)

	Q4 FY2020	Q4 FY2019	Change %
	RM'000	RM'000	
Revenue	109,633	100,279	9
Profit Before Interest and Tax	9,501	2,761	244
Profit Before Tax	8,589	1,341	540

The Group’s revenue for Q4 FY2020 increased by 9% compared to Q4 FY2019. Of the RM109.63 million revenue recorded in Q4 FY2020, 71% was generated from the manufacturing segment and the remaining 29% was generated from its property development and construction segments. These percentages in Q4 FY2019 were 87% and 13% respectively. No revenue was recorded by the investment holding segment in both these quarters.

The manufacturing segment registered a revenue in Q4 FY2020 of RM77.58 million; a decline of RM9.58 million as compared to Q4 FY2019 which registered a revenue of RM87.16 million, as shipment volumes fell by approximately 5%. On the other hand, the property development segment posted a revenue of RM29.94 million in Q4 FY2020, which represented a significant increase compared with RM9.47 million attained in Q4 FY2019 for its maiden EmHub project. This substantial increase was mainly attributable to a higher percentage of completion as construction progress was expedited in the current quarter under review.

The construction segment’s external revenue registered a decrease from RM3.64 million in Q4 FY2019 to RM2.11 million in Q4 FY2020 due mainly to slower site progress at its roofing and cladding projects.

The Group registered a profit before tax of RM8.59 million in Q4 FY2020 as compared to Q4 FY2019’s profit before tax of RM1.34 million; the segmental breakdown were as follows:-

	Q4 FY2020	Q4 FY2019	Change %
	RM'000	RM'000	
Manufacturing Segment	(1,916)	2,327	-182
Property Development Segment	10,103	(263)	3,941
Construction Segment	1,453	137	961
Investment Holding Segment	1,088	2,302	-53
Inter Segment Elimination	(2,139)	(3,162)	32
Group Total	8,589	1,341	540

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020

B2. Financial review of the fourth quarter ended 31 December 2020 (“Q4 FY2020”) compared with the corresponding quarter in Financial Year 2019 (“Q4 FY2019”) (continued)

The manufacturing segment registered a loss before tax in Q4 FY2020 of RM1.92 million versus Q4 FY2019’s profit before tax of RM2.33 million. The contribution generated was impacted following the reduced shipment volume, higher usage of external reroll coils to supplement in-house production capacity as well as significantly higher freight costs which had risen by approximately 86% per metric ton as compared to Q4 FY2019. In addition, in Q4 FY2020 there was a metal price lag* loss as compared to a metal price lag gain in Q4 FY2019.

For the property development segment, its EmHub project saw a ramp-up in construction progress, coupled with prudent cost controls and lower staff costs. These have led to more progress billings to customers and higher recognition of progressive profits, translating into a profit before tax of RM10.10 million in Q4 FY2020 as opposed to a loss before tax of RM0.26 million in Q4 FY2019.

For the construction segment, it recorded a profit before tax of RM1.45 million in Q4 FY2020, arising mainly from the construction progress at the Group’s internal EmHub project.

**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. Financial review of Financial Year ended 31 December 2020 (“FY2020”) versus Financial Year ended 31 December 2019 (“FY2019”)

	FY2020	FY2019	Change %
	RM’000	RM’000	
Revenue	316,402	372,653	-15
Profit Before Interest and Tax	5,498	8,764	-37
Profit Before Tax	881	3,638	-76

The Group’s FY2020 result was impacted by the global business downturn due to the Covid-19 pandemic compounded with operating restrictions and disruptions. Consequentially, the revenue registered for the Group declined by 15% compared to FY2019’s achievement of RM372.65 million. Of the RM316.40 million recorded revenue for the Group for FY2020, RM257.72 million was attributable from the manufacturing segment while the remaining RM58.68 million external revenue was generated from the property development and construction segments. No revenue was recorded in the investment holding segment.

The manufacturing segment recorded a decrease of RM86.40 million in revenue for FY2020 from its FY2019’s achievement of RM344.12 million. This 25% decline was a result of a drop in shipment volumes across majority of the product categories impacting both domestic and export destinations. In addition, a lower average base metal cost compounded the revenue decline; base metal costs which is denominated in USD comprising aluminium prices quoted on the London Metal Exchange and transport premium was approximately 9% lower for FY2020 versus FY2019.

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 Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020

B3. Financial review of Financial Year ended 31 December 2020 (“FY2020”) versus Financial Year ended 31 December 2019 (“FY2019”) (continued)

The property development segment registered a RM29.32 million increase in revenue for FY2020 when compared to FY2019’s revenue of RM24.89 million. This 118% increase was attained mainly because of the substantial construction progress achieved at its EmHub project which enabled more revenue to be recognized.

The construction segment posted an increase in external revenue, registering RM4.47 million for FY2020 as opposed to RM3.64 million achieved in FY2019, mainly due to the implementation of new roofing and cladding projects in FY2020.

The Group registered a profit before tax of RM0.88 million for FY2020 as compared to FY2019’s profit before tax of RM3.64 million; the segmental breakdown were as follows:-

	FY2020	FY2019	Change %
	RM'000	RM'000	
Manufacturing Segment	(9,335)	8,236	-213
Property Development Segment	10,940	(3,195)	442
Construction Segment	2,482	137	1,712
Investment Holding Segment	436	1,623	-73
Inter Segment Elimination	(3,642)	(3,163)	-15
Group Total	881	3,638	-76

The manufacturing segment’s declined result before tax in FY2020 versus FY2019 was due to the lower revenue attainment consequential from the Covid-19 business disruptions. There was a 25% reduction in shipment volume which significantly impacted contribution including a higher metal price lag* loss as well as higher costs incurred for external rerolls to supplement in-house production capacity. Partially offsetting the reduced contribution attained, were lower overall fixed costs incurred in FY2020 versus FY2019.

**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*

The property development segment’s improved result in FY2020 was attained because of the substantial construction progress achieved, coupled with lower marketing expenses and prudent cost controls at its EmHub project, which have enabled higher progressive profits to be recognized. Meanwhile, the construction segment recorded a profit before tax of RM2.48 million arising mainly from the construction progress at the Group’s internal EmHub project.

B4. Commentary on Prospects

Amid the exceptional uncertainty, the global economy’s projected growth rates for 2021 and 2022 looks encouraging after the severe contraction in 2020. However, renewed waves and new variants of the Covid-19 virus pose concerns for this outlook despite raised hopes of a turnaround with the recent vaccines which have been approved.

In tandem with this, the manufacturing segment which exports approximately 75% of its production, remains cautiously optimistic of the recovery momentum as it actively navigates its business whilst remaining committed to its longer-term growth strategy.

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B4. Commentary on Prospects (continued)

The Group’s property development segment is expected to remain subdued as it anticipates further business disruptions arising from the reintroduction of movement controls in various parts of Malaysia. The Covid-19 pandemic continues to exact a heavy toll on domestic businesses and demand, causing the property market to remain fragile. Nevertheless, the segment has made a concerted effort to strengthen its position and to remain resilient through product design and innovation, competitive pricing, new aggressive digital marketing campaigns and cost rationalisation through value engineering of the EmHub project.

B5. Variance of Actual Profit from Forecast Profit

Not applicable.

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

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

	Quarter ended 31 December 2020 RM’000	Year ended 31 December 2020 RM’000
Interest income	(125)	(602)
Interest expense	1005	5,059
Interest expense on lease liabilities	32	160
Amortisation of intangible assets	67	734
Allowance for inventory writedown	44	1,023
Provision for doubtful debts	109	109
Depreciation		
- Property, plant and equipment	2,211	9,022
- Right-of-use assets	379	1,486
Foreign exchange loss/(gain)		
- Realised	313	381
- Unrealised	165	(407)
Net fair value gain on derivatives	(361)	(90)
Loss/(Gain) on disposal of property, plant and equipment	4	(45)

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 December 2020

B7. Taxation

	Quarter ended		Year ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	(724)	(715)	(2,768)	(3,752)
Deferred Taxation				
- Origination and reversal of temporary differences	2,209	(604)	3,202	437
	1,485	(1,319)	434	(3,315)

The effective tax rate of the Group for the financial year under review was lower than the statutory tax rate.

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 31 December 2020 were as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loans	87,514	7,001	94,515
-Finance lease liabilities	232	125	357
-Revolving credit	32,000	25,000	57,000
-Trade lines	-	-	-
-Bridging loan	20,565	-	20,565
<u>Unsecured</u>			
- Corporate credit card facility from a financial institution	-	5	5
	140,311	32,131	172,442

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B10. Derivative Financial Instruments

As at 31 December 2020, 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	24,043	23,897
- Receivable	54,532	53,962

B11. Changes in Material Litigation

Not applicable.

B12. Dividend Payable

There was no dividend declared in respect of the financial year under review and the preceding financial year.

B13. Earnings Per Share

	Quarter ended 31 December 2020	Quarter ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
Net profit attributable to shareholders (RM’000)	10,074	22	1,315	323
Weighted average number of ordinary shares in issue (’000)	134,331	134,331	134,331	134,331
Basic earnings per share (sen)	7.50	0.02	0.98	0.24

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 23 February 2021.

BY ORDER OF THE BOARD
23 February 2021