



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019

ALCOM GROUP BERHAD (1261259-V)**Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 June 2019
(Unaudited)**

	Quarter ended 30 June	Quarter ended 30 June	6 months ended 30 June	6 months ended 30 June
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	90,313	100,852	182,803	201,892
Expenses excluding tax	(88,893)	(99,227)	(182,200)	(199,630)
Other operating income	104	115	179	202
Profit before tax	1,524	1,740	782	2,464
Taxation	(477)	(1,384)	(916)	(1,920)
Net profit / (loss) for the period	1,047	356	(134)	544
Other comprehensive income, net of tax : <u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial gains on gratuity scheme	-	-	-	-
Taxation relating to component of other comprehensive income	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income / (expense) for the period	1,047	356	(134)	544
Attributable to:				
- Shareholders of the Company	1,047	356	(134)	544
	1,047	356	(134)	544
Basic earnings / (loss) per ordinary share (sen)	0.78	0.27	(0.10)	0.41

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (1261259-V)
Condensed Consolidated Statement of Financial Position as at 30 June 2019 (Unaudited)

	UNAUDITED As At 30 June 2019 RM'000	AUDITED As At 31 December 2018 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	73,006	67,090
Intangible assets	1,067	1,248
Right-of-use assets	1,831	-
Deferred tax assets	1,329	810
Trade receivables	-	461
	<u>77,233</u>	<u>69,609</u>
CURRENT ASSETS		
Inventories	68,543	68,976
Contract Assets	3,782	-
Contract Costs	13,783	-
Trade receivables	20,689	41,150
Other receivables and prepayments	5,901	6,599
Tax recoverable	2,472	335
Derivative financial instruments	89	443
Cash and bank balances	44,068	40,232
Property development costs	104,866	105,392
	<u>264,193</u>	<u>263,127</u>
TOTAL ASSETS	<u>341,426</u>	<u>332,736</u>
CAPITAL AND RESERVES		
Share capital	104,778	104,778
Retained earnings	17,423	17,643
Total Equity	<u>122,201</u>	<u>122,421</u>
NON-CURRENT LIABILITIES		
Provision for gratuity scheme	4,361	4,142
Deferred tax liabilities	3,480	3,488
Loans and borrowings	135,788	139,932
Lease liabilities	882	-
	<u>144,511</u>	<u>147,562</u>
CURRENT LIABILITIES		
Trade payables	29,704	39,019
Other payables and accruals	14,989	15,255
Provision for taxation	859	1,551
Loans and borrowings	28,131	6,928
Lease liabilities	1,031	-
	<u>74,714</u>	<u>62,753</u>
TOTAL LIABILITIES	<u>219,225</u>	<u>210,315</u>
TOTAL EQUITY AND LIABILITIES	<u>341,426</u>	<u>332,736</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 2018 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (1261259-V)
Condensed Consolidated Statement of Changes In Equity for the quarter ended 30 June 2019
(Unaudited)

	<u>Non-distributable</u>		<u>Distributable</u>	
	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
Balance as at 1 January 2019 - as previously reported	104,778	-	17,643	122,421
Impact of change in accounting policy - MFRS16	-	-	(86)	(86)
Adjusted balances at 1 January 2019	104,778	-	17,557	122,335
<u>Total comprehensive expense:</u>				
Loss for the period	-	-	(134)	(134)
Total comprehensive expense for the period	-	-	(134)	(134)
Balance as at 30 June 2019	104,778	-	17,423	122,201
Balance as at 1 January 2018	100,123	(1,091)	19,238	118,270
<u>Total comprehensive income:</u>				
Profit for the period	-	-	544	544
Total comprehensive income for the period	-	-	544	544
Balance as at 30 June 2018	100,123	(1,091)	19,782	118,814

(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 2018 and the accompanying explanatory notes to this interim financial statements.)

ALCOM GROUP BERHAD (1261259-V)**Condensed Consolidated Statement of Cash Flows for the quarter ended 30 June 2019****(Unaudited)**

	6 months ended 30 June 2019 RM'000	6 months ended 30 June 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	782	2,464
Adjustment for:-		
Net fair value loss on currency forwards	354	1,556
Property, plant and equipment		
- depreciation	4,322	3,851
- gain on disposal	(12)	(35)
- Property, plant and equipment written off	-	8
Intangible assets		
- amortisation	245	233
Right-of-use assets		
- depreciation	535	-
Provision for gratuity scheme	219	231
Allowance for inventory writedown	870	375
Unrealised foreign exchange gain	(356)	(1,244)
Interest income	(142)	(133)
Interest expense	2,837	1,984
Interest expense on lease liabilities	72	-
Reversal of impairment loss on property, plant and equipment	(7)	-
Bad debts written off	4	-
Allowance for doubtful debts	58	-
	9,781	9,290
Changes in Working Capital:-		
Inventories	(437)	1,784
Receivables	4,101	(4,745)
Payables	(9,510)	(9,936)
Property development cost	1,936	(3,850)
Cash generated from / (used in) operations	5,871	(7,457)
Tax paid	(4,272)	(3,099)
Gratuity paid	(273)	(486)
Net cash from / (used in) operating activities	1,326	(11,042)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- purchases	(10,290)	(3,501)
- proceeds from disposal	71	44
Intangible assets		
- purchases	(64)	-
Interest income received	149	133
Net cash used in investing activities	(10,134)	(3,324)
CASH FLOWS FROM FINANCING ACTIVITY		
Drawdown of borrowings	17,059	393
Payment of lease liabilities	(611)	-
Interest paid	(4,160)	(1,647)
Net cash from / (used in) financing activities	12,288	(1,254)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	3,480	(15,620)
Foreign exchange differences	356	(178)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	39,128	45,883
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	42,964	30,085

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes to this interim financial statements.)

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

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 2018. 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 2018.

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 2018 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- 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

The application of the standards and amendments to the standards above do not have a material impact to the financial statements of the Group and the Company except the following:-

(i) MFRS 16, Leases

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 applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings on 1 January 2019.

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A2. Accounting policies (continued)

The application of the standards and amendments to the standards above do not have a material impact to the financial statements of the Group and the Company except the following (continued):-

(i) MFRS 16, Leases (continued)

On 1 January 2019, the Group recognised lease liabilities approximately of RM2,205,000 with a corresponding additional right-of-use assets of RM2,119,000, recognising the difference in retained earnings.

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 2020

- Amendment 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

(ii) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendment 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.

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.

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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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.

A7. Debt and Equity Securities

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 development

Segment revenue and results for the 6 months period ended 30 June 2019 are as follows:-

	Manufacturing	Property Development	Investment Holding	Elimination	Group
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
REVENUE					
External revenue	173,721	9,082	-	-	182,803
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>173,721</u>	<u>9,082</u>	<u>-</u>	<u>-</u>	<u>182,803</u>
RESULTS					
Segment Results	4,330	(381)	(472)	-	3,477
Interest income	1,179	2	-	(1,039)	142
Interest expense	(2,005)	(1,871)	-	1,039	(2,837)
Profit/(loss) before tax	<u>3,504</u>	<u>(2,250)</u>	<u>(472)</u>	<u>-</u>	<u>782</u>

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.

A11. Capital Commitments

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

	Group 30 June 2019 RM'000
- Contracted	4,278
- Not Contracted	2,329
Total Capital Commitment	6,607

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 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 30 June 2019 are as follows:

	Company 30 June 2019 RM'000
<u>Unsecured contingent liabilities</u>	
Corporate guarantee given to financial institutions in respect of banking facilities granted to a subsidiary	208,000

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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 (2 nd Quarter)		Change %	Cumulative Quarters		Change %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year-To-Date	Preceding Year Corresponding Period	
	30 June 2019	30 June 2018		30 June 2019	30 June 2018	
	RM' 000	RM' 000		RM' 000	RM' 000	
Revenue	90,313	100,852	-10	182,803	201,892	-9
Profit Before Interest and Tax	2,949	2,649	11	3,549	4,315	-18
Profit Before Tax	1,524	1,740	-12	782	2,464	-68

Financial review of the second quarter ended 30 June 2019 (“Q2 FY2019”) compared with the corresponding quarter in Financial Year 2018 (“Q2 FY2018”)

For Q2 FY2019, the Group recorded a revenue of RM90.31 million of which RM81.23 million was contributed from its manufacturing segment and the remaining RM9.08 million was from its property segment. Q2 FY2019 was the first quarter that the property segment has recognised revenue. No revenue was recorded in the investment holding segment.

The manufacturing segment’s revenue in Q2 FY2019 declined by RM19.62 million as compared to its Q2 FY2018’s revenue of RM100.85 million. This decline was due to a drop in shipment volume as there was a general slowdown in selected markets coupled with lower average base metal costs. There was a marked reduction in demand from the Thailand market, offset partially by increased shipments to Europe and United States as well as a lower production output which affected the delivery performance to customers. The lower production output was due to certain technical issues encountered by the manufacturing team. These technical issues have since been resolved and the operations resumed to normalcy in July 2019. Base metal costs were lower by approximately 14.5% in Q2 FY2019 vs Q2 FY2018. Base metal costs which are denominated in USD comprise of aluminium prices quoted on the London Metal Exchange and transport premium. These were partially offset by a weaker ringgit vis-à-vis the USD currency; the ringgit was approximately 5.4% weaker in Q2 FY2019 vs Q2 FY2018.

The Group registered a profit before tax of RM1.52 million in Q2 FY2019 as compared to Q2 FY2018’s profit before tax of RM1.74 million; the segmental breakdown were as follows:-

Breakdown - Profit/(Loss) Before Tax	Q2 FY2019	Q2 FY2018	Change (%)
	RM' 000	RM' 000	
Manufacturing Segment	1,724	3,592	-52
Property Segment	48	(1,852)	103
Investment Holding Segment	(248)	-	-
Group Total	1,524	1,740	-12

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

B1. Review of Group Performance (continued)

Financial review of the second quarter ended 30 June 2019 (“Q2 FY2019”) compared with the corresponding quarter in Financial Year 2018 (“Q2 FY2018”) (continued)

The manufacturing segment’s profit before tax decline in Q2 FY2019 vs Q2 FY2018 was largely the result of the lower revenue attainment from the overall reduced shipment volume, which generated a correspondingly lower contribution. In addition, freight costs were higher coupled with increased depreciation charges and a higher provision for slow moving inventories. Freight costs were higher resulting from increased shipment volumes to Europe and United States. These were partially offset by a lower metal price lag* loss, lower direct costs and lower professional fees.

The property segment improvement in the profit before tax was mainly attributable to the commencement of profit recognition for EmHub Project in Q2 2019, net of higher financing charges. The investment holding segment incurred costs mainly for salaries and directors’ fees.

Financial review of Year-To-Date ended 30 June 2019 (“YTD FY2019”) vs Year-To-Date ended 30 June 2018 (“YTD FY2018”)

The Group recorded a revenue of RM182.80 million for YTD 2019 of which the manufacturing segment generated RM173.72 million with the remaining RM9.08 million from the property segment as it begun recognition of revenue for its EmHub Project in Q2 2019. No revenue was recorded in the investment holding segment. This revenue attainment for the Group was a 9.5% decline compared to the corresponding six months of the preceding financial year’s achievement of RM201.89 million.

For the manufacturing segment, there was a RM28.17 million decrease compared to its Q2 FY2018’s revenue of RM201.89 million. This 14.0% decline was attributable to a drop in shipment volume largely in Q2 FY2019 coupled with lower average base metal costs for YTD 2019 vs YTD 2018. The shipment volume reduction was impacted from reduced demand in the Thailand market, offset partially by higher shipments to Europe and United States as well as a lower production output in Q2 FY 2019 which affected the delivery performance to customers. The lower production output was due to certain technical issues encountered by the manufacturing team in Q2 FY2019. These technical issues have since been resolved and the operations resumed to normalcy in July 2019. Base metal costs were lower by approximately 12.3% for YTD FY2019 vs YTD FY2018. These were partially offset by a weaker ringgit vis-à-vis the USD currency; the ringgit was approximately 4.5% weaker for YTD FY2019 vs YTD FY2018.

The Group registered a profit before tax of RM0.78 million for YTD FY2019 as compared to YTD FY2018’s profit before tax of RM2.46 million; the segmental breakdown were as follows:-

Breakdown - Profit/(Loss) Before Tax	YTD FY2019	YTD FY2018	Change (%)
	RM’ 000	RM’ 000	
Manufacturing Segment	3,504	5,090	-31
Property Segment	(2,250)	(2,626)	14
Investment Holding Segment	(472)	-	-
Group Total	782	2,464	-68

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

B1. Review of Group Performance (continued)

Financial review of Year-To-Date ended 30 June 2019 (“YTD FY2019”) vs Year-To-Date ended 30 June 2018 (“YTD FY2018”) (continued)

For YTD FY2019, the manufacturing segment’s profit before tax reduced to RM3.50 million compared to YTD FY2018 of RM5.09 million. This decrease was largely the result of lower revenue from the reduced shipment volume attained in Q2 FY2019, which correspondingly affected the contribution generated for YTD FY2019. In addition, there were higher freight costs, repairs & maintenance, increased depreciation charges as well as higher provisions for customer complaints and for slow moving inventories. These were partially offset by a lower metal price lag* loss and lower direct costs. Further, other metal costs were lower mainly from good productivity attained during the first quarter of FY2019.

The property segment’s marginal improvement in the profit before tax was mainly the result of the commencement of profit recognition for EmHub Project in Q2 FY2019 net of higher financing costs in YTD FY2019. The investment holding segment incurred costs mainly for salaries and directors’ fees.

**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*

B2. Financial review of the second quarter ended 30 June 2019 (“Q2 FY2019”) compared with the immediate preceding quarter ended 31 March 2019 (“Q1 FY2019”)

	Current Year Quarter Ended 30 June 2019	Immediate Preceding Quarter Ended 31 March 2019	Change (%)
	RM' 000	RM' 000	
Revenue	90,313	92,490	-2
Profit Before Interest and Tax	2,949	600	392
Profit/(loss) Before Tax	1,524	(742)	305

There was a marginal reduction in the Group’s revenue in Q2 FY2019 vs Q1 FY2019. However, the revenue in Q2 FY2019 comprised of RM81.23 million from its manufacturing segment and RM9.08 million from its property segment whilst the revenue in Q1 FY2019 of RM92.49 million was generated solely from the manufacturing segment. Q2 FY2019 was the first quarter that the property segment had recognized revenue. No revenue was recorded in the investment holding segment.

The manufacturing segment’s revenue in Q2 FY2019 declined by RM11.26 million as compared to its Q1 FY2019 revenue of RM92.49 million. This decline was due largely to a drop in overall shipment volumes in both the export and domestic markets. In addition, there was a lower production output in Q2 FY2019 which affected the delivery performance to customers. The lower production output was due to certain technical issues encountered by the manufacturing team. These technical issues have since been resolved and the operations resumed to normalcy in July 2019.

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

B2. Financial review of the second quarter ended 30 June 2019 (“Q2 FY2019”) compared with the immediate preceding quarter ended 31 March 2019 (“Q1 FY2019”) (continued)

The Group registered a profit before tax of RM1.52 million in Q2 FY2019 as compared to Q1 FY2019’s loss before tax of RM0.74 million; the segmental breakdown were as follows:-

Breakdown - Profit/(Loss) Before Tax	Q2 FY2019	Q1 FY2019	Change (%)
	RM’ 000	RM’ 000	
Manufacturing Segment	1,724	1,780	-3
Property Segment	48	(2,298)	102
Investment Holding Segment	(248)	(224)	-11
Group Total	1,524	(742)	305

Despite the revenue attained by the manufacturing segment in Q2 FY2019 being RM11.26 million or 12.2% lower compared to Q1 FY2019, the profit before tax was only impacted by a 3.2% reduction. This was largely due to good cost control with direct costs, other metal costs and period costs being much lower in Q2 FY2019 vs Q1 FY2019. In addition, there was a lower provision for customer complaints in Q2 FY2019.

The significantly better result for the property segment was mainly attributable to the profit recognition for EmHub Project which commenced in Q2 FY2019 net of higher financing charges whilst there was a marginal increase in costs in the investment holding segment.

B3. Commentary on Prospects

Global growth remains subdued as trade tensions continue to escalate between United States and China together with the prolonged Brexit related uncertainties. The initial Washington and Beijing tariff war has recently intensified and spilled into technology and currency. Business sentiment point to a challenging outlook for manufacturing and trade.

Against this difficult and weaker than anticipated slowdown in the global manufacturing activity, the manufacturing segment of the Group will nevertheless continue to be vigilant in addressing these challenges to sustain its performance.

The performance from the Group’s property segment is envisaged to improve in line with the sustained awareness campaign of EmHub’s Project.

B4. Variance of actual profit from forecast profit

Not applicable.

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

B5. Profit for the Period

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

	Quarter ended 30 June 2019 RM'000	Year-To-Date 30 June 2019 RM'000
Interest income	(86)	(142)
Interest expense	1,472	2,837
Interest expense on lease liabilities	39	72
Amortisation of intangible assets	123	245
Allowance for inventory writedown	431	870
Allowance for doubtful debts	58	58
Bad debts written off	4	4
Depreciation		
- Property, plant and equipment	2,172	4,322
- Right-of-use assets	271	535
Foreign exchange loss/(gain)		
- Realised	154	147
- Unrealised	40	(356)
Net fair value (gain)/loss on derivatives	(81)	354
Gain on disposal of property, plant and equipment	(9)	(12)
Reversal of impairment loss on property, plant and equipment	(7)	(7)

B6. Taxation

	Quarter ended		Year-To-Date	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	(981)	(1,343)	(1,444)	(1,804)
Deferred Taxation				
- Origination and reversal of temporary differences	504	(41)	528	(116)
	(477)	(1,384)	(916)	(1,920)

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 was no corporate exercise as at the date of this announcement.

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

B8. Group Borrowings

The Group's borrowings as at 30 June 2019 were as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
Term Loan	135,431	7,001	142,432
<u>Unsecured</u>			
Finance lease liabilities	357	119	476
Revolving credit	-	20,017	20,017
Corporate credit card facility from a financial institution	-	994	994
	135,788	28,131	163,919

B9. Derivative Financial Instruments

As at 30 June 2019, 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	10,339	10,340
- Receivable	27,359	27,271

B10. Changes in Material Litigation

Not applicable.

B11. Dividend Payable

No dividend in respect of the current quarter under review has been declared.

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Quarterly Report on Consolidated Results for the Second Quarter Ended 30 June 2019

B12. Earnings/(Loss) Per Share

	Quarter ended 30 June 2019	Quarter ended 30 June 2018	Year-To-Date 30 June 2019	Year-To-Date 30 June 2018
Net profit/(loss) attributable to shareholders (RM'000)	1,047	356	(134)	544
Weighted average number of ordinary shares in issue (000)	134,331	133,331	134,331	133,331
Basic earnings/(loss) per share (sen)	0.78	0.27	(0.10)	0.41

B13. Authorisation of Issue

The interim financial statements were authorised for issue by the Board of Directors of AGB in accordance with a resolution of the Directors passed on 28 August 2019.

BY ORDER OF THE BOARD
28 August 2019