

## ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

## Condensed Consolidated Statement of Comprehensive Income (Unaudited) for the Quarter ended 31 December 2015

|  | Quarter ended<br>31 Dec | Quarter ended<br>31 Dec | 9 months ended<br>31 Dec | 9 months ended<br>31 Dec |
|--|-------------------------|-------------------------|--------------------------|--------------------------|
|  | 2015<br>RM'000          | 2014<br>RM'000          | 2015<br>RM'000           | 2014<br>RM'000           |
| Revenue  | 79,788                  | 71,615                  | 209,741                  | 201,899                  |
| Expenses excluding tax   | (75,587)                | (73,859)                | (207,231)                | (206,875)                |
| Other operating income   | 156                     | 148                     | 631                      | 627                      |
| Profit/(loss) before tax   | 4,357                   | (2,097)                 | 3,141                    | (4,350)                  |
| Taxation   | (1,249)                 | 446                     | (997)                    | 417                      |
| Net profit /(loss) for the period                                      | 3,108                   | (1,651)                 | 2,144                    | (3,933)                  |
| Other comprehensive income :   |                         |                         |                          |                          |
| <u>Item that will not be classified subsequently to profit or loss</u> |                         |                         |                          |                          |
| Actuarial losses/(gains) on gratuity scheme                            | -                       | -                       | -                        | -                        |
| Total comprehensive profit/(loss) for the period                       | 3,108                   | (1,651)                 | 2,144                    | (3,933)                  |
| Attributable to:   |                         |                         |                          |                          |
| - Shareholders of the Company  | 3,108                   | (1,651)                 | 2,144                    | (3,933)                  |
|  | 3,108                   | (1,651)                 | 2,144                    | (3,933)                  |
| Basic earnings/(loss) per ordinary share (sen)                         | 2.35                    | (1.25)                  | 1.62                     | (2.97)                   |
| Diluted earnings/(loss) per ordinary share (sen)                       | 2.35                    | (1.25)                  | 1.62                     | (2.97)                   |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 March 2015 )

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)**  
**Condensed Consolidated Statement of Financial Position as at 31 December 2015 (Unaudited)**

|                                       | <b>UNAUDITED</b><br>As At 31 Dec 2015<br>RM'000 | <b>AUDITED</b><br>As At 31 Mar 2015<br>RM'000 |
|---------------------------------------|---|---|
| <b>NON-CURRENT ASSET</b>              |   |   |
| Property, plant and equipment         | 75,143  | 83,048  |
| <b>CURRENT ASSETS</b>                 |   |   |
| Inventories                           | 53,684  | 54,611  |
| Trade receivables                     | 33,900  | 27,098  |
| Other receivables and prepayments     | 10,948  | 1,439   |
| Amount due from related companies     | 39  | 26  |
| Derivative financial instruments      | (53)  | -   |
| Deposits, cash and bank balances      | 36,576  | 62,045  |
|                                       | <u>135,094</u>                                  | <u>145,219</u>                                |
| <b>LESS: CURRENT LIABILITIES</b>      |   |   |
| Trade payables and other accruals     | 8,247   | 29,488  |
| Other payables and accruals           | 22,998  | 10,528  |
| Amount due to related companies       | 1,228   | 1,800   |
| Provision for Taxation                | 828   | 558   |
| Derivative financial instruments      | 6   | 610   |
| Borrowings                            | -   | 4,494   |
|                                       | <u>33,307</u>                                   | <u>47,478</u>                                 |
| <b>NET CURRENT ASSETS</b>             | 101,787   | 97,741  |
| <b>LESS : NON-CURRENT LIABILITIES</b> |   |   |
| Provision for gratuity scheme         | 7,242   | 6,426   |
| Deferred taxation                     | 5,550   | 5,756   |
|                                       | <u>12,792</u>                                   | <u>12,182</u>                                 |
|                                       | <u>164,138</u>                                  | <u>168,607</u>                                |
| <b>CAPITAL AND RESERVES</b>           |   |   |
| Share capital                         | 134,331   | 134,331                                       |
| Share premium                         | 4,113   | 4,113   |
| Other reserves                        | 1,670   | 1,670   |
| Revenue reserve                       | 24,024  | 28,493  |
| Total Equity                          | <u>164,138</u>                                  | <u>168,607</u>                                |

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 March 2015 )**

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)  
Condensed Consolidated Statement of Changes In Equity (Unaudited) For the Quarter Ended 31 December 2015

|   | Share<br>capital<br>RM'000 | <u>Non-distributable</u><br>Share<br>premium<br>RM'000 | <u>Other</u><br>reserves<br>RM'000 | <u>Distributable</u><br>Revenue<br>reserve<br>RM'000 | Total<br>RM'000 |
|---|----------------------------|--|------------------------------------|--|-----------------|
| <b>Balance as at 1 April 2015</b>             | 134,331                    | 4,113  | 1,670                              | 28,493   | 168,607         |
| <u>Total comprehensive loss:</u>              |                            |  |                                    |  |                 |
| Profit/(Loss) for the period                  | -                          | -  | -                                  | 2,144  | 2,144           |
| Actuarial losses on gratuity scheme           | -                          | -  | -                                  | -  | -               |
| Total comprehensive loss for the period       | -                          | -  | -                                  | 2,144  | 2,144           |
| <u>Transactions with owners:</u>              |                            |  |                                    |  |                 |
| - Dividend for the period to 31 December 2015 | -                          | -  | -                                  | (6,613)  | (6,613)         |
| <b>Balance as at 31 December 2015</b>         | 134,331                    | 4,113  | 1,670                              | 24,024   | 164,138         |
| <b>Balance as at 1 April 2014</b>             | 134,331                    | 4,113  | 1,670                              | 36,744   | 176,858         |
| <u>Total comprehensive loss:</u>              |                            |  |                                    |  |                 |
| Profit/(Loss) for the period                  | -                          | -  | -                                  | (3,933)  | (3,933)         |
| Actuarial losses on gratuity scheme           | -                          | -  | -                                  | -  | -               |
| Total comprehensive loss for the period       | -                          | -  | -                                  | (3,933)  | (3,933)         |
| <u>Transactions with owners:</u>              |                            |  |                                    |  |                 |
| - Dividend for the period to 31 December 2014 | -                          | -  | -                                  | (6,612)  | (6,612)         |
| <b>Balance as at 31 December 2014</b>         | 134,331                    | 4,113  | 1,670                              | 26,199   | 166,313         |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015 )

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

| 9 months ended<br>31 Dec | 9 months ended<br>31 Dec |
|--------------------------|--------------------------|
| 2015<br>RM'000           | 2014<br>RM'000           |

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                 |                 |
|---|-----------------|-----------------|
| Profit/(Loss) before Tax                        | 3,141           | (4,350)         |
| <b>Adjustment for:-</b>                         |                 |                 |
| Property, plant and equipment                   |                 |                 |
| - depreciation                                  | 8,849           | 8,638           |
| - gain on disposal                              | -               | (3)             |
| Interest Expense                                | 25              | -               |
| Interest Income                                 | (488)           | (661)           |
| Provision for gratuity scheme                   | 565             | 642             |
| Allowance for inventory writedown               | 429             | 479             |
| Net fair value loss/(gain) on currency forwards | (551)           | 371             |
|   | <u>11,970</u>   | <u>5,116</u>    |
| <br>  |                 |                 |
| Changes in Working Capital:-                    |                 |                 |
| Inventories                                     | 498             | (7,658)         |
| Receivables                                     | (16,311)        | (3,682)         |
| Payables  | (8,123)         | (3,942)         |
| Balances with related companies                 | (585)           | (828)           |
|   | <u>(12,551)</u> | <u>(10,994)</u> |
| <br>  |                 |                 |
| Cash from operations                            |                 |                 |
| Net overdue (income)/ expense                   |                 |                 |
| Tax Paid  | (931)           | (544)           |
| Gratuity Paid                                   | (400)           | (181)           |
| Net cash from operating activities              | <u>(1,331)</u>  | <u>(725)</u>    |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                       |              |                |
|---------------------------------------|--------------|----------------|
| Property, plant and equipment         |              |                |
| - purchases                           | (943)        | (3,458)        |
| - proceeds from disposal              | -            | 3              |
| Interest income received              | 488          | 661            |
| Net cash used in investing activities | <u>(455)</u> | <u>(2,794)</u> |

**CASH FLOWS FROM FINANCING ACTIVITY**

|                                       |                 |                |
|---------------------------------------|-----------------|----------------|
| Repayment of borrowings               | (4,494)         | -              |
| Dividend payment to owners            | (6,613)         | (6,612)        |
| Interest paid                         | (25)            | -              |
| Net cash used in financing activities | <u>(11,132)</u> | <u>(6,612)</u> |

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Net Movement in Cash and Cash Equipvalents</b>           | <b>(25,469)</b>      | <b>(21,125)</b>      |
| <br>  |                      |                      |
| <b>Cash &amp; Cash Equipvalents at beginning of Quarter</b> | <b>62,045</b>        | <b>55,701</b>        |
| <br>  |                      |                      |
| <b>Cash &amp; Cash Equipvalents at end of Quarter</b>       | <b><u>36,576</u></b> | <b><u>34,576</u></b> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the period ended 31 March 2015 )

## **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 (BMSB).

The interim financial statements should be read in conjunction with the Group's financial statements for the year ended 31 Mar 2015. 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 Mar 2015.

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 the company for the financial year ended 31 Mar 2015 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 136 'Recoverable Amount Disclosures for Non-Financial Assets'
- Amendments to MFRS 139 'Novation of Derivatives and Continuation of Hedge Accounting'
- Amendments to MFRS 10, MFRS 12 and MFRS 127 'Investment entities'
- IC Interpretation 21 'Levies'
- Amendments to MFRS 119 'Defined Benefit Plans: Employee Contributions'

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.

### **A2. 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.

### **A3. Comments about Seasonal or Cyclical Factors**

One of the products that the ALCOM Group manufactures and sells is finstock (both bare and coated). This product is supplied to air conditioner manufacturers, in which sector demand is increasingly subject to seasonal changes.

### **A4. 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.

### **A5. Material changes in estimates**

There were no significant changes in estimates that have had a material effect on the financial year-to-date results.

## ALUMINIUM COMPANY OF MALAYSIA BERHAD (ALCOM) (Co. No. 3859-U)

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 Dec 2015

### A6. Debt and Equity Securities

The Company did not do any share buy-back during the quarter under review. There was therefore no movement on the 2,079,000 treasury shares held by the Company during the quarter under review.

In the same quarter, the Company did not issue or repay any debt or equity securities.

### A7. Dividends paid

There was no dividend paid during the quarter under review.

### A8. Segmental information

The ALCOM Group is solely involved in the manufacturing of aluminium products and operates within Malaysia. Revenues are based on the regions in which the customers are located.

|                            | Malaysia<br>RM'000 | Asia<br>RM'000 | Other<br>Regions<br>RM'000 | Total<br>RM'000 |
|----------------------------|--------------------|----------------|----------------------------|-----------------|
| <b>Revenue</b>             |                    |                |                            |                 |
| Quarter Ended 31 Dec 2015  | 29,776             | 37,511         | 12,501                     | 79,788          |
| 9 months Ended 31 Dec 2015 | 72,073             | 104,316        | 33,352                     | 209,741         |
| <b>Total Assets</b>        |                    |                |                            |                 |
| As at 31 Dec 2015          | 210,237            |                |                            | 210,237         |

\* Revenue in the Malaysia segment included sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounted to RM2.28 million for the current quarter and RM9.79 million for 9 months ended 31 Dec 2015.

### A9. Valuation of Property, Plant and Equipment

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

### A10. Capital Commitments

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

|                          |                    |
|--------------------------|--------------------|
|                          | <b>Group</b>       |
|                          | <b>31 Dec 2015</b> |
|                          | <b>RM'000</b>      |
| - Contracted             | 1,137              |
| - Not Contracted         | 1,129              |
| Total Capital Commitment | <u>2,266</u>       |

## **ALUMINIUM COMPANY OF MALAYSIA BERHAD (ALCOM) (Co. No. 3859-U)**

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 Dec 2015

### **A11. Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the quarter in which this report is made.

### **A12. Changes in the composition of the Group**

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

### **A13. Changes in contingent liabilities or contingent assets**

The ALCOM Group had no contingent liabilities or contingent assets as at end of the quarter.

## **PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

### **B1. Review of Group Performance**

Group revenue for the quarter was RM79.8 million which represented a 11% increase compared to the corresponding quarter in the preceding year. This improvement was due to higher shipment volumes coupled with the strengthened USD currency vis a vis the Ringgit resulted in higher revenues per metric ton for the export sales. This higher revenue was attained despite lower Aluminium prices on the LME(London Metal Exchange) and lower MJP(Main Japanese Port) transport premium.

The Group registered a profit after tax of RM3.1 million for the quarter ending 31 Dec 2015 as compared to net loss of RM1.7 million recorded in the corresponding quarter of the preceding year. The improved revenues per metric ton especially for the export sales and a tight rein on direct costs was the main contributory factors for this improved result.

Cash reserves at the end of the quarter under review stood at R36.6million as compared to RM34.6million at the end of the corresponding quarter of the previous year.

### **B2. Material Changes in Profit before Taxation for the Quarter as Compared With the Preceding Quarter**

The Group recorded a pre-tax profit of RM3.1 million for the current quarter under review as compared to a pre-tax profit of RM1.0 million registered in the preceding quarter. The higher pre-tax result was largely attributable to a higher shipment volume for the export market which was attained in tandem with the increased annual seasonal demand of the air-conditioning manufacturer's global market. This is reflected in the revenue which increased by 31% in comparison. In addition, direct costs per metric ton were much lower compared to the preceding quarter.

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Quarterly Report on Consolidated Results for the Third Quarter Ended 31 Dec 2015

### B3. Commentary on Prospects

The group is expected to close the financial year with an encouraging result especially since the net income for the cumulative 3 quarters the group has turned positive as compared to a net loss for the cumulative 3 quarters in the last financial year. In the final quarter we continue with improvement initiatives including better product mix, increased exports and cost reduction measures. In addition, the strengthened US currency vis a vis the Ringgit augurs well for the group especially for the export products.

### B4. Variance of actual profit from forecast profit

Not applicable.

### B5. Profit for the Period

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

|   | Quarter ended<br>31 Dec 2015<br>RM'000 | Year To Date<br>31 Dec 2015<br>RM'000 |
|---|--|---------------------------------------|
| Interest income                         | 117                                    | 488                                   |
| Other income                            | 97                                     | 275                                   |
| Interest expenses                       | (8)                                    | (25)                                  |
| Depreciation and amortization           | (2,927)                                | (8,849)                               |
| Provision for and write-off receivables | -                                      | (54)                                  |
| Provision for and write-off inventories | (212)                                  | (429)                                 |
| Foreign exchange gain or (loss)         | 425                                    | 3,470                                 |
| Gain/(Loss) on Derivatives              | (469)                                  | (3,636)                               |

### B6. Taxation

|   | Quarter ended         |                       | Year To Date          |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31 Dec 2015<br>RM'000 | 31 Dec 2014<br>RM'000 | 31 Dec 2015<br>RM'000 | 31 Dec 2014<br>RM'000 |
| <b>Current Tax</b>                                  |                       |                       |                       |                       |
| - current year                                      | (1,065)               | (70)                  | (1,201)               | (165)                 |
| <b>Deferred Taxation</b>                            |                       |                       |                       |                       |
| - Origination and reversal of temporary differences | (184)                 | 516                   | 204                   | 582                   |
|   | (1,249)               | 446                   | (997)                 | 417                   |

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate due to non-deductibility of certain expenses and reversal of deferred taxation after adjustment on temporary differences during the period under review.



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Quarterly Report on Consolidated Results for the Third Quarter Ended 31 Dec 2015

**B7. Status of Corporate Proposal**

Not applicable.

**B8. Group borrowings**

As at quarter ending 31 Dec 2015, the ALCOM Group had no bank borrowings.

**B9. Derivative Financial Instruments**

As at 31 Dec 2015, total contract value and fair value of the Group's outstanding forward foreign exchange contracts stood as follows :-

| <b>Types of Derivatives<br/>(Foreign Exchange Contracts)</b> | <b>Contract/Notional<br/>Value<br/>RM'000</b> | <b>Fair<br/>Value<br/>RM'000</b> |
|--|---|----------------------------------|
| Less than 1 year   |   |                                  |
| - Payable  | 4,083   | (6)                              |
| - Receivable   | 37,386  | (53)                             |

**B10. Changes in Material Litigation**

Not applicable.

**B11. Dividend Payable**

Not applicable.

**B12. Earnings Per Share**

|  | <b>Quarter<br/>ended<br/>31 Dec<br/>2015</b> | <b>Quarter<br/>ended<br/>31 Dec<br/>2014</b> | <b>9 months<br/>ended<br/>31 Dec<br/>2015</b> | <b>9 months<br/>ended<br/>31 Dec<br/>2014</b> |
|--|--|--|---|---|
| Net Profit/(Loss) attributable to<br>shareholders (RM'000)   | 3,108  | (1,651)                                      | 2,144   | (3,933)                                       |
| Weighted average number of<br>ordinary shares in issue (000) | 132,252                                      | 132,252                                      | 132,252                                       | 132,252                                       |
| Basic earnings/(loss) per share (sen)                        | 2.35   | (1.25)                                       | 1.62  | (2.97)  |

## ALUMINIUM COMPANY OF MALAYSIA BERHAD (ALCOM) (Co. No. 3859-U)

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 Dec 2015

### B13. Realised and Unrealised Profit and Losses Disclosure

The determination of Realised and Unrealised Profits or Losses is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and at the directive of Bursa Malaysia Securities Berhad:

|  | <b>Group</b>         | <b>Company</b>       |
|--|----------------------|----------------------|
|  | <b>RM'000</b>        | <b>RM'000</b>        |
| Total retained profits before consolidated adjustments |                      |                      |
| - Realised   | 32,202               | 10,175               |
| - Unrealised   | 7,170                | 5,565                |
| Total Retained Profits as per consolidated accounts    | <u>39,372</u>        | <u>15,740</u>        |
| Less: Consolidation adjustments                        | (15,348)             | -                    |
| Total Retained Profits as per Financial Statements:    | <u><u>24,024</u></u> | <u><u>15,740</u></u> |

### B14. Authorization of Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 16 February 2016.

**BY ORDER OF THE BOARD**  
**STEPHANIE LAM LEE SAN**  
**COMPANY SECRETARY**  
**BUKIT RAJA, KLANG**  
**16 February 2016**