

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

Condensed Consolidated Statement of Comprehensive Income (Unaudited) for the Quarter ended 30 September 2015

|  | Quarter ended<br>30 Sep<br>2015<br>QM'000 | Quarter ended<br>30 Sep<br>2014<br>RM'000 | 6 months ended<br>30 Sep<br>2015<br>RM'000 |
|--|---|---|--|
| Revenue  | 61,068                                    | 64,152                                    | 129,953                                    |
| Expenses excluding tax   | -62,704                                   | -65,217                                   | -131,540                                   |
| Other operating income   | 166                                       | 230                                       | 371  |
| Profit/(loss) before tax   | -1,471                                    | -835                                      | -1,216                                     |
| Taxation   | 471                                       | -206                                      | 252  |
| Net profit /(loss) for the period                                      | -1,000                                    | -1,041                                    | -964                                       |
| 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                       | -1,000                                    | -1,041                                    | -964                                       |
| Attributable to:   |   |   |  |
| - Shareholders of the Company  | -1,000                                    | -1,041                                    | -964                                       |
|  | -1,000                                    | -1,041                                    | -964                                       |
| Basic earnings/(loss) per ordinary share (sen)                         | -0.76                                     | -0.79                                     | -0.73                                      |
| Diluted earnings/(loss) per ordinary share (sen)                       | -0.76                                     | -0.79                                     | -0.73                                      |

(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 30 September 2015 (Unaudited)**

|                                       | <b>UNAUDITED</b>         | <b>AUDITED</b>           |
|---------------------------------------|--------------------------|--------------------------|
|                                       | <b>As At 30 Sep 2015</b> | <b>As At 31 Mar 2015</b> |
|                                       | <b>RM'000</b>            | <b>RM'000</b>            |
| <b>NON-CURRENT ASSET</b>              |                          |                          |
| Property, plant and equipment         | 77,793                   | 83,048                   |
| <b>CURRENT ASSETS</b>                 |                          |                          |
| Inventories                           | 50,667                   | 54,611                   |
| Trade receivables                     | 23,040                   | 27,098                   |
| Other receivables and prepayments     | 4,029                    | 1,439                    |
| Amount due from related companies     | 36                       | 26                       |
| Tax recoverable                       | 176                      | -                        |
| Derivative financial instruments      | 269                      | -                        |
| Deposits, cash and bank balances      | 47,559                   | 62,045                   |
|                                       | <u>125,776</u>           | <u>145,219</u>           |
| <b>LESS: CURRENT LIABILITIES</b>      |                          |                          |
| Trade payables and other accruals     | 6,993                    | 29,488                   |
| Other payables and accruals           | 18,993                   | 10,528                   |
| Amount due to related companies       | 1,228                    | 1,800                    |
| Provision for Taxation                | 626                      | 558                      |
| Derivative financial instruments      | 2,214                    | 610                      |
| Borrowings                            | -                        | 4,494                    |
|                                       | <u>30,055</u>            | <u>47,478</u>            |
| <b>NET CURRENT ASSETS</b>             | 95,721                   | 97,741                   |
| <b>LESS : NON-CURRENT LIABILITIES</b> |                          |                          |
| Provision for retirement benefits     | 7,118                    | 6,426                    |
| Deferred taxation                     | 5,366                    | 5,756                    |
|                                       | <u>12,484</u>            | <u>12,182</u>            |
|                                       | <u>161,030</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                       | 20,916                   | 28,493                   |
| Total Equity                          | <u>161,030</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 30 September 2015

|  | <u>Non-distributable</u> |              | <u>Distributable</u> |                |
|--|--------------------------|--------------|----------------------|----------------|
|  | Share                    | Other        | Revenue              | Total          |
|  | premium                  | reserves     | reserve              |                |
|  | RM'000                   | RM'000       | RM'000               | RM'000         |
| <b>Balance as at 1 April 2015</b>              | <b>4,113</b>             | <b>1,670</b> | <b>28,493</b>        | <b>168,607</b> |
| <u>Total comprehensive loss:</u>               |                          |              |                      |                |
| Profit/(Loss) for the period                   | -                        | -            | (964)                | (964)          |
| Actuarial losses on gratuity scheme            | -                        | -            | -                    | -              |
| Total comprehensive loss for the period        | -                        | -            | (964)                | (964)          |
| <u>Transactions with owners:</u>               |                          |              |                      |                |
| - Dividend for the period to 30 September 2015 | -                        | -            | (6,613)              | (6,613)        |
| <b>Balance as at 30 September 2015</b>         | <b>4,113</b>             | <b>1,670</b> | <b>20,916</b>        | <b>161,030</b> |
| <b>Balance as at 1 April 2014</b>              | <b>4,113</b>             | <b>1,670</b> | <b>36,744</b>        | <b>176,858</b> |
| <u>Total comprehensive loss:</u>               |                          |              |                      |                |
| Profit/(Loss) for the period                   | -                        | -            | (2,282)              | (2,282)        |
| Actuarial losses on gratuity scheme            | -                        | -            | -                    | -              |
| Total comprehensive loss for the period        | -                        | -            | (2,282)              | (2,282)        |
| <u>Transactions with owners:</u>               |                          |              |                      |                |
| - Dividend for the period to 30 September 2014 | -                        | -            | (6,612)              | (6,612)        |
| <b>Balance as at 30 September 2014</b>         | <b>4,113</b>             | <b>1,670</b> | <b>27,850</b>        | <b>167,964</b> |

(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)**

| 6 months ended<br>30 Sep | 6 months ended<br>30 Sep |
|--------------------------|--------------------------|
| 2015                     | 2014                     |
| RM'000                   | RM'000                   |

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                |                |
|---|----------------|----------------|
| Profit/(Loss) before Tax                        | (1,217)        | (2,253)        |
| <b>Adjustment for:-</b>                         |                |                |
| Property, plant and equipment                   |                |                |
| - depreciation                                  | 5,921          | 5,796          |
| - gain on disposal                              | -              | 12             |
| Interest Expense                                | 17             | -              |
| Interest Income                                 | (371)          | (544)          |
| Provision for gratuity scheme                   | 877            | 505            |
| Allowance for inventory writedown               | (217)          | 213            |
| Net fair value loss/(gain) on currency forwards | 1,335          | 371            |
| Unrealised foreign exchange (gain)/loss         | -              | -              |
|   | <u>6,345</u>   | <u>4,100</u>   |
| Changes in Working Capital:-                    |                |                |
| Inventories                                     | 4,161          | (11,584)       |
| Receivables                                     | 1,468          | (1,889)        |
| Payables  | (14,029)       | 3,818          |
| Balances with related companies                 | (582)          | (828)          |
| Cash from operations                            | <u>(2,637)</u> | <u>(6,383)</u> |
| Tax Paid  | (244)          | (385)          |
| Gratuity Paid                                   | (185)          | (181)          |
| Net cash from operating activities              | <u>(429)</u>   | <u>(566)</u>   |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                       |              |                |
|---------------------------------------|--------------|----------------|
| Property, plant and equipment         |              |                |
| - purchases                           | (667)        | (2,357)        |
| - proceeds from disposal              | -            | (12)           |
| Interest income received              | 371          | 544            |
| Net cash used in investing activities | <u>(296)</u> | <u>(1,825)</u> |

**CASH FLOWS FROM FINANCING ACTIVITY**

|                                       |                 |                |
|---------------------------------------|-----------------|----------------|
| Repayment of borrowings               | (4,494)         | -              |
| Dividend payment to owners            | (6,613)         | (6,612)        |
| Interest paid                         | (17)            | -              |
| Net cash used in financing activities | <u>(11,124)</u> | <u>(6,612)</u> |

|  |                      |                      |
|--|----------------------|----------------------|
| <b>Net Movement in Cash and Cash Equipvalents</b>          | <b>(14,486)</b>      | <b>(15,386)</b>      |
| <b>Foreign exchange differences</b>                        | <b>-</b>             | <b>-</b>             |
| <b>Cash &amp; Cash Equivalents at beginning of Quarter</b> | <b>62,045</b>        | <b>55,701</b>        |
| <b>Cash &amp; Cash Equivalents at end of Quarter</b>       | <b><u>47,559</u></b> | <b><u>40,315</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.

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Quarterly Report on Consolidated Results for the Fourth Quarter Ended 30 Sept 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

An interim single tier dividend of 5% in respect of the financial year ending 31 March 2016 was declared and paid on 20 Aug 2015. The dividend paid amounted to approximately RM6.61 million.

### 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 30 Sept 2015  | 21,766             | 29,027         | 10,275                     | 61,068          |
| 6 months Ended 30 Sept 2015 | 42,297             | 66,805         | 20,851                     | 129,953         |
| <b>Total Assets</b>         |                    |                |                            |                 |
| As at 30 Sept 2015          | 203,569            |                |                            | 203,569         |

\* Revenue in the Malaysia segment included sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounted to RM2.52 million for the current quarter and RM7.51 million for 6 months ended 30 Sept. 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>30 Sept 2015</b> |
|                          | <b>RM'000</b>       |
| - Contracted             | 512                 |
| - Not Contracted         | 1,598               |
| Total Capital Commitment | <u>2,110</u>        |

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

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### **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**

Not applicable.

### **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 under review recorded a marginal decline of 4.7% as compared to the corresponding quarter in the preceding year i.e. it registered at RM61.1 million as compared to RM64.1 million respectively. The revenue decline was due to lower shipment volumes recorded coupled with both lower Aluminium prices on the LME(London Metal Exchange) and MJP(Main Japanese Port) transport premium. This was partially offset by a better sales mix derived from the export sales. The strengthened USD currency vis a vis the Ringgit resulted in higher revenues per metric ton for the export sales.

The Group registered a loss before tax of RM1.5 million for the quarter ending 30 Sept 2015 as compared to a loss before tax of RM0.8 million recorded in the corresponding quarter of the preceding year. The higher loss was due mainly to lower metal lag\* gain as well as foreign exchange loss recorded in the current quarter compared to a foreign exchange gain in the corresponding quarter of the previous year.

Cash reserves at the end of the quarter under review stood at RM47.6million as compared to RM40.3million at the end of the corresponding quarter of the previous year.

*\*Metal price lag refers to timing differences experienced on the pass through of changing aluminum prices based on the difference in the price we pay for aluminum and the price we charge our customers after the aluminum is processed.*

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

The Group recorded a pre-tax loss of RM1.5 million for the current quarter under review as compared to a pre-tax gain of RM0.3 million registered in the preceding quarter. The loss was due to lower shipment volume achievement which was in tandem with the anticipated annual low seasonal demand of the air-conditioning manufacturer's global market. In addition, in the preceding quarter, there was a reversal of provision of quality claim no longer required.

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### B3. Commentary on Prospects

The reduction in MJP(Main Japanese Port) transport premium in the 2<sup>nd</sup> quarter of the financial year together with the decline in Aluminium prices on the LME(London Metal Exchange) as well as the strengthened USD currency vis a vis the Ringgit augurs well for the Group for the 2<sup>nd</sup> half of the financial year, especially for the export products. At the same time, improvement initiatives and cost reduction measures will be continued at all levels and functions so that the group should close the financial year with an encouraging result.

### 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>30 Sept 2015<br>RM'000 | Year To Date<br>30 Sept 2015<br>RM'000 |
|---|---|--|
| Interest income                         | 166                                     | 371                                    |
| Other income                            | 80                                      | 178                                    |
| Interest expenses                       | (8)                                     | (17)                                   |
| Depreciation and amortization           | (2,954)                                 | (5,921)                                |
| Provision for and write-off receivables | -                                       | (54)                                   |
| Provision for and write-off inventories | (142)                                   | (217)                                  |
| Gain or loss on Disposal                | -                                       | -                                      |
| Impairment of assets                    | -                                       | -                                      |
| Foreign exchange gain or (loss)         | 3,560                                   | 3,045                                  |
| Gain/(Loss) on Derivatives              | (3,653)                                 | (3,167)                                |
| Exception items                         | -                                       | -                                      |

### B6. Taxation

|   | Quarter ended          |                        | Year To Date           |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 30 Sept 2015<br>RM'000 | 30 Sept 2014<br>RM'000 | 30 Sept 2015<br>RM'000 | 30 Sept 2014<br>RM'000 |
| <b>Current Tax</b>                                  |                        |                        |                        |                        |
| - current year                                      | (52)                   | (17)                   | (136)                  | (95)                   |
| - under provision in prior years                    | -                      | -                      | -                      | -                      |
| <b>Deferred Taxation</b>                            |                        |                        |                        |                        |
| - Origination and reversal of temporary differences | 523                    | (189)                  | 388                    | 66                     |
|   | 471                    | (206)                  | 252                    | (29)                   |

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate due mainly to the reduced deferred tax liability for the period under review.



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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 30 Sept 2015

**B7. Status of Corporate Proposal**

Not applicable.

**B8. Group borrowings**

As at quarter ending 30 Sept 2015, the ALCOM Group had no bank borrowings.

**B9. Derivative Financial Instruments**

As at 30 Sept 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  | 5,007   | 5,272                            |
| - Receivable   | 28,987  | 31,197                           |

**B10. Changes in Material Litigation**

Not applicable.

**B11. Dividend Payable**

Not applicable.

**B12. Earnings Per Share**

|   | <b>Quarter<br/>ended<br/>30 Sept<br/>2015</b> | <b>Quarter<br/>ended<br/>30 Sept<br/>2014</b> | <b>6 months<br/>ended<br/>30 Sept<br/>2015</b> | <b>6 months<br/>ended<br/>30 Sept<br/>2014</b> |
|---|---|---|--|--|
| Net Profit/(Loss) attributable to shareholders (RM'000)   | (1,000)                                       | (1,041)                                       | (964)  | (2,282)  |
| Weighted average number of ordinary shares in issue (000) | 132,252                                       | 132,252                                       | 132,252  | 132,252  |
| Basic earnings(loss) per share (sen)                      | 0.76  | (0.79)  | (0.73)   | (1.73)   |

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 30 Sept 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   | 29,631               | 9,015                |
| - Unrealised   | 6,633                | 5,608                |
| Total Retained Profits as per consolidated accounts    | <u>36,264</u>        | <u>14,623</u>        |
| Less: Consolidation adjustments                        | (15,348)             | -                    |
| Total Retained Profits as per Financial Statements:    | <u><u>20,916</u></u> | <u><u>14,623</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 26 November 2015.

**BY ORDER OF THE BOARD  
STEPHANIE LAM LEE SAN  
COMPANY SECRETARY  
BUKIT RAJA, KLANG  
26 NOVEMBER 2015**