

ALUMINIUM COMPANY OF MALAYSIA BERHAD (ALCOM) (Co. No. 3859-U)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 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 March 2011. 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 March 2011.

In the next financial year, the Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS" where the following standards, amendments to published standards and interpretations to existing standards are applicable :

- MFRS 139 "Financial Instruments: Recognition and Measurement"
- The revised MFRS 124 "Related Party Disclosures"
- Amendment to MFRS 112 "Income Taxes"
- Amendments to IC Interpretation 14 "MFRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction"
- Amendment to MFRS 1 "First Time Adoption on Fixed Dates and Hyperinflation"
- Amendment to MFRS 7 "Financial instruments: Disclosures on Transfers of Financial Assets"

The initial application of the amendments to interpretation will not have 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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group; for the quarter ending 31 Mar 2012.

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.

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.

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

A7. Dividends paid

There was no dividend declared or paid during the financial quarter ending 31 Mar 2012.

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	Asia	Other Regions	Total
Revenue	RM'000	RM'000	RM'000	RM'000
Quarter Ended 31 Mar 2012	36,383	20,611	10,117	67,111
12 months Ended 31 Mar 2012	145,279	98,211	31,095	274,585
Total Assets				
As at 31 Mar 2012	223,857			223,857

*Revenue in the Malaysia segment includes sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM9,200,000 for quarter ended 31st Mar 2012 and RM43,330,000 for the 12 months ended 31st March 2012.

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. 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.

A11. Changes in the composition of the Group

Not applicable.

A12. 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 Performance

Group's revenue for the quarter increased by 8.5% to RM67.1 m compared to RM61.8 m for the immediate preceding quarter on the back of increased shipment volume of 14.5% as compared to the preceding quarter. The turnover for the full year however, registered a decline of 7.4% at RM274.6 million as compared to the preceding year's turnover due mainly to lower shipments in the 2nd and 3rd quarters due to global economic uncertainty and the Thailand flood disaster impacting major regional market of ALCOM.

The group registered a net profit attributable to shareholders of RM74K for the current quarter under review as compared to a net loss of RM807K in the immediate preceding quarter. The turnaround was due to improved demand from Domestic segment, Thailand customers recovering from flood impact and the higher seasonal demand for fins-stock.

Cash reserves at the end of the quarter under review stood at RM36.8 million as compared to RM51.4 million at the end of the financial year of FY2011.

B2. Material changes in profit before taxation for the quarter as compared with the preceding quarter

Against the pre-tax loss of RM1.2 million recorded in the previous quarter, the Group managed to register a pre-tax profit of RM373K for the quarter ending 31 March 2012. The improvement in profitability were due mainly to the improved shipment volume with the recovery of orders from customers hit by the recent Thailand flood as well as increased domestic orders with the implementation of the mandatory quality standards introduced by the Government in November 2011.

B3. Commentary on Prospects

The Global economic uncertainty continues as the economic recovery is threatened by intensifying strains in Euro zone. However, ALCOM continues to witness healthy orders from Domestic customers post Mandatory quality standard implementation and improved business from Thailand customers as they recover from the flood impact. ALCOM is developing a new high value product with the commissioning of the Tension Leveler whilst simultaneously exploring to expand its customer base from identified potentials within the Indian Continent, ASEAN and East-Asia region. With these initiatives ALCOM is optimistic in its efforts to capture a bigger market share as well as continued costs reductions projects to enhance its financials to achieve its objectives in FY2013.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

	Quarter (Jan-Mar) ended		12 months (Apr-Mar) ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	(83)	1,615	677	3,163
- deferred tax	276	(685)	(14)	(1,173)
In respect of prior period				
- income tax	0	0	(44)	(331)
- deferred tax	106	170	106	170
	299	1,100	725	1,829

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate due mainly to non deductible expenses for tax purposes.

B6. Unquoted Investments

There were no purchases or disposals of unquoted securities for the current quarter and financial year-to-date.

B7. Quoted Investments

There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

B8. Status of Corporate Proposal

Not applicable.

B9. Group borrowings

As at quarter ended 31 Mar 2012, the ALCOM Group had no bank borrowings outstanding.

B10. Derivative Financial Instruments

As at 31 Mar 2012, 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 million)	Fair Value (RM million)	Gain/(Loss) on Fair Value (RM million)
(I) Less than 1 year - Payables	-	-	-
- Receivables	16.33	16.54	(0.21)
(II) 1 year to 3 years; and - Payables	-	-	-
- Receivables	-	-	-
(iii) More than 3 years. - Payables	-	-	-
- Receivables	-	-	-

B11. Changes in Material Litigation

Not applicable.

B12. Approved Dividends Not Yet Paid

There was no approved dividend not yet paid.

B13. Earnings per Share

	Quarter ended 31 Mar	Quarter ended 31 Mar	12 months ended 31 Mar	12 months ended 31 Mar
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
(a) Basic earnings per share				
Net profit/(loss) for the period (RM,000)	74	3,436	1,687	6,150
Weighted average number of ordinary shares in issues ('000)	132,252	132,252	132,252	132,252
Basic earnings/(loss) per share (sen)	0.06	2.60	1.28	4.65

The group does not have any dilutive potential shares outstanding.

B14. Realised and Unrealised Profit and Losses Disclosure

Total retained profits of ALCOM Group and its subsidiaries companies as at 31 March 2012:

	<u>Group</u>	<u>Company</u>
	RM'000	RM'000
- Realised	52,669	32,846
- Unrealised	<u>4,071</u>	<u>3,382</u>
Total Retained Profits as per consolidated accounts	56,740	36,228
Less: Consolidation adjustments	<u>(10,769)</u>	-
Total Retained Profits as per Financial Statements:	<u>45,971</u>	<u>36,228</u>

B15. 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 28 May 2012.

**BY ORDER OF THE BOARD
BERNARD GOMEZ
CHIEF FINANCIAL OFFICER
BUKIT RAJA, KLANG
28 MAY 2012**