

**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 2012. 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 2012.

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 March 2012 except for the adoption of the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group is 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 adoption of the above MFRSs and IC Interpretations does not have any significant 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 30 June 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 30 June 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
<b>Revenue</b>	RM'000	RM'000	RM'000	RM'000
Quarter Ended 30 June 2012	33,554	38,876	3,386	75,816
3 months Ended 30 June 2012	33,554	38,876	3,386	75,816
<b>Total Assets</b>				
As at 30 Jun 2012	224,891			224,891

\*Revenue in the Malaysia segment includes sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM7,243,000 for current quarter and 3 months ended 30th June 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

The Group recorded a decline 2.3% in revenue at RM75.8 million for the current quarter under review as compared to the corresponding quarter last year on the back of an increased in shipment volume by 8%. This was mainly due to the LME for Aluminium being 24% lower for the quarter under review against the corresponding quarter last year.

The Group's net profit attributable to equity holders of the Company for the current quarter was RM1.8 million as compared to the RM2.5 million, declined by 26.8 % as compared to the same quarter last year.

Cash reserves at the end of the quarter under review stood at RM43.9 million as compared to RM45.0 million at the same corresponding quarter of last year.

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

Group profit before tax for the quarter stood at RM1.6 million as compared to RM3.6 million registered in the corresponding quarter the previous year; impacted mainly by the higher usage of imported re-roll coils.

### B3. Commentary on Prospects

The global economic uncertainty resulting mainly from the Euro zone crisis continues to be a concern. However, orders from both the Domestic and Export customers are expected to be sustained in the coming quarter. In these challenging times, the Group is working to expand its customer base for its high value product range whilst improving operating efficiencies.

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

Not applicable.

### B5. Taxation

	Quarter (Apr-Jun) ended		3 months (Apr-Jun) ended	
	30 Jun 2012	30 Jun 2011	30 Jun 2012	30 Jun 2011
	RM'000	RM'000	RM'000	RM'000
<b>In respect of current period</b>				
- income tax	502	1,023	502	1,023
-deferred tax	(734)	105	(734)	105
<b>In respect of prior period</b>				
- income tax	0	0	0	0
- deferred tax	0	0	0	0
	(232)	1,128	(232)	1,128

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate due to the realization of deferred tax liabilities arising from temporary difference.

### 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 30 Jun 2012, the ALCOM Group had no bank borrowings outstanding.

## B10. Derivative Financial Instruments

As at 30 Jun 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	30.87	31.32	(0.45)
(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

On 17 July 2012, ALCOM announced an interim dividend of 5% less 25% income tax in respect of the financial year ending 31 March 2013. The net dividend amounted to approximately RM4.96 million was paid on 15 August 2012.

## B13. Earnings per Share

	Quarter ended 30 Jun	Quarter ended 30 Jun	3 months ended 30 Jun	3 months ended 30 Jun
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>(a) Basic earnings per share</b>				
Net profit/(loss) for the period (RM,000)	1,831	2,500	1,831	2,500
Weighted average number of ordinary shares in issues ('000)	132,252	132,252	132,252	132,252
Basic earnings/(loss) per share (sen)	1.38	1.89	1.38	1.89

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 30 June 2012:

	<u>Group</u>	<u>Company</u>
	RM'000	RM'000
- Realised	54,822	34,440
- Unrealised	<u>3,849</u>	<u>3,124</u>
Total Retained Profits as per consolidated accounts	58,671	37,564
Less: Consolidation adjustments	<u>(10,869)</u>	<u>-</u>
Total Retained Profits as per Financial Statements:	<u>47,802</u>	<u>37,564</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 30 Aug 2012.

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