

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

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 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

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.

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 declared or paid during the quarter ending 31 March 2013.

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 March 2013	31,007	38,032	7,945	76,984
12 months Ended 31 March 2013	128,035	145,000	15,264	288,299
Total Assets				
As at 31 March 2013	217,646			217,646

*Revenue in the Malaysia segment includes sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM7.113 million for current quarter ended and RM24.863 million for 12 months ended 31st March 2013.

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 improved by 14.7% to RM77.0 million for the current quarter under review as compared to the RM67.1million achieved in the corresponding quarter of the preceding year on the back of an increased shipment volume of 17%.

The Group's result attributable to equity holders of the Company for the current quarter was a net profit of RM1.553 million as compared to the profit of RM74K in corresponding quarter of the preceding year. This positive result was mainly due to the higher shipment volume coupled with better sales mix. However, for the financial year ended 31 March 2013, the Group registered a net loss of RM2.9 million due to accumulated losses of the earlier two quarters resulting from unexpected surge in metal premiums and increased usage of imported re-roll coils to compensate capacity constraints.

Cash reserves at the end of the quarter under review stood at RM36.1 million as compared to RM36.8 million at the end of the corresponding quarter of 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 RM1.13 million for the current quarter under review as compared to a pre-tax loss of RM3.15 million registered in the preceding quarter. This turn-around and recovery to pre-tax profitability was due to increase shipment volume coupled with a more favourable sales mix in the last quarter of the financial year. Further, steps were taken to address the sudden unexpected surge in metal premiums experienced in the preceding quarter as well as ramping up internal production output to place less reliance on imported re-roll coils.

B3. Commentary on Prospects

The difficult global economic situation resulting from the Euro Zone crisis persists. Despite this, the Group's recent concerted efforts have proven effective in turning around the results of the final quarter positively after two earlier quarters of losses. At the export front, the Group will focus on capitalizing the opportunities from air-conditioning manufacturers in the Middle East in anticipation of the increase in demand on bare and coated fin. The Group will also continue to develop on the construction and electronics segments at the domestic front through the on-going government extension projects. The Group will also work strenuously on its production capabilities with the aim to reduce reliance on imported re-roll coils and continuing various costs control initiatives.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

	Quarter (Jan-Mar) ended		12 months (Apr-Mar) ended	
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	0	(83)	0	677
-deferred tax	(292)	276	(918)	(14)
In respect of prior period				
- income tax	0	0	99	(44)
- deferred tax	(132)	106	(132)	106
	(424)	299	(951)	725

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate mainly due to unabsorbed losses of the Group.

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 ending 31 March 2013, the ALCOM Group had no bank borrowings outstanding.

B10. Derivative Financial Instruments

As at 31 March 2013, 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	20.86	20.75	0.11
(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

Not applicable.

B13. Earnings per Share

	Quarter ended 31 Mar	Quarter ended 31 Mar	12 months ended 31 Mar	12 months ended 31 Mar
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
(a) Basic earnings per share				
Net profit/(loss) for the period (RM,000)	1,553	74	(2,929)	1,687
Weighted average number of ordinary shares in issues ('000)	132,252	132,252	132,252	132,252
Basic earnings/(loss) per share (sen)	1.17	0.06	(2.22)	1.28

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 2013:

	<u>Group</u>	<u>Company</u>
	RM'000	RM'000
- Realised	49,005	29,245
- Unrealised	<u>4,210</u>	<u>3,427</u>
Total Retained Profits as per consolidated accounts	53,215	32,672
Less: Consolidation adjustments	<u>(14,664)</u>	<u>-</u>
Total Retained Profits as per Financial Statements:	<u>38,551</u>	<u>32,672</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 20 May 2013.

**BY ORDER OF THE BOARD
BERNARD GOMEZ
CHIEF FINANCIAL OFFICER
BUKIT RAJA, KLANG
20 MAY 2013**