

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
 Quarterly Report on Consolidated Results for the Second Quarter Ended 30 September 2013

Condensed Consolidated Statement of Comprehensive Income (Unaudited) for the Quarter ended 30 September 2013

	Quarter ended 30 September	Quarter ended 30 September	6 months ended 30 September	6 months ended 30 September
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	62,175	65,802	131,883	141,618
Expenses excluding finance cost and tax	(64,294)	(68,578)	(134,999)	(142,904)
Loss on divestment	0	0	0	0
Other operating income	336	249	517	447
Profit from operations	(1,783)	(2,527)	(2,600)	(839)
Finance cost	(98)	(85)	(198)	(174)
Profit/(loss) before tax	(1,880)	(2,612)	(2,797)	(1,013)
Taxation	481	(549)	597	(317)
Net profit /(loss) for the period	(1,399)	(3,161)	(2,200)	(1,330)
Attributable to:				
- Owners of the Company	(1,399)	(3,161)	(2,200)	(1,330)
- Minority interest	0	0	0	0
	(1,399)	(3,161)	(2,200)	(1,330)
Basic earnings/(loss) per ordinary share (sen)	(1.06)	(2.39)	(1.66)	(1.01)
Diluted earnings/(loss) per ordinary share (sen)	(1.06)	(2.39)	(1.66)	(1.01)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 March 2013)

Condensed Consolidated Statement of Financial Position as at 30 September 2013 (Unaudited)

	UNAUDITED At 30 Sep 2013 RM'000	AUDITED At 31 Mar 2013 RM'000	AUDITED At 31 Mar 2012 RM'000
Non current assets			
Property, plant and equipment	91,464	93,791	99,614
Deferred tax assets	4,468	4,101	4,061
Current assets			
Inventories	52,347	46,504	46,183
Receivables, deposits and prepayments	21,927	36,221	36,397
Deposits, cash and bank balances	40,385	36,068	36,807
Tax recoverable	1,080	961	795
	<u>115,739</u>	<u>119,754</u>	<u>120,182</u>
Less: Current liabilities			
Trade and other payables	17,520	21,129	18,134
Current tax liabilities	0	0	0
Dividend payable	0	0	0
	<u>17,520</u>	<u>21,129</u>	<u>18,134</u>
Net current assets	<u>98,219</u>	<u>98,625</u>	<u>102,048</u>
Less: Non current liabilities			
Provision for retirement benefits	6,369	6,038	6,346
Deferred tax liabilities	11,318	11,815	12,825
	<u>17,687</u>	<u>17,853</u>	<u>19,171</u>
	<u>176,464</u>	<u>178,664</u>	<u>186,552</u>
Capital and reserves			
Share capital	134,331	134,331	134,331
Reserves	42,133	44,333	52,221
	<u>176,464</u>	<u>178,664</u>	<u>186,552</u>
Minority interest	0	0	0
Total equity	<u>176,464</u>	<u>178,664</u>	<u>186,552</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 March 2013)

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
Quarterly Report on Consolidated Results for the Second Quarter Ended 30 September 2013

Condensed Consolidated Statement of Cash Flows (Unaudited)

	6 months ended 30 September 2013 RM'000	6 months ended 30 September 2012 RM'000
Operating activities		
Cash from operations	8,908	6,042
Payment of retirement benefits	(558)	(148)
Refund of tax	0	92
Tax paid	(385)	(804)
Net cash flow from operating activities	<u>7,965</u>	<u>5,182</u>
Investing activities		
Purchase of fixed assets	(4,472)	(4,823)
Proceeds from sale of fixed assets	453	54
Interest income received	371	402
Net cash flow from investing activities	<u>(3,648)</u>	<u>(4,367)</u>
Financing activities		
Payment of dividends to: - shareholders	0	(4,959)
Net cash outflow from financing activities	<u>0</u>	<u>(4,959)</u>
Changes in Cash & Cash Equivalents	4,317	(4,144)
Cash & Cash Equivalents at beginning of period	36,068	36,807
Cash & Cash Equivalents at end of period	<u>40,385</u>	<u>32,663</u>
Deposits, cash and bank balances comprise :		
Deposits with licensed banks	34,329	29,743
Cash and bank balances	6,056	2,920
Cash & cash equivalents at end of period	<u>40,385</u>	<u>32,663</u>
Fixed Deposits	0	0
	<u>40,385</u>	<u>32,663</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the period ended 31 March 2013)

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)
Quarterly Report on Consolidated Results for the Second Quarter Ended 30 September 2013

Condensed Consolidated Statement of Changes In Equity (Unaudited) For the Quarter Ended 30 September 2013

	Share capital RM'000	<u>Non-distributable</u>		<u>Distributable</u>	Total RM'000
		Share premium RM'000	Other reserves RM'000	Revenue reserve RM'000	
Balance as at 1 April 2013	134,331	4,112	1,670	38,551	178,664
Total Comprehensive Loss for the Period				(2,200)	(2,200)
Dividends Distributed to Equity Holders				0	0
Balance as at 30 September 2013	134,331	4,112	1,670	36,351	176,464
Balance as at 1 April 2012	134,331	4,112	1,670	46,439	186,552
Total Comprehensive Loss for the Period				(1,330)	(1,330)
Dividends Distributed to Equity Holders				(4,959)	(4,959)
Balance as at 30 September 2012	134,331	4,112	1,670	40,150	180,263

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013)

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 September 2013

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 2013. 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 2013.

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 2013 except for the adoption of the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") where the following standards, amendments to published standards and interpretations to existing standards are applicable:

- MFRS 10 "Consolidated Financial Statements"
- MFRS 12 "Disclosures of Interests in Other Entities"
- MFRS 13 "Fair Value Measurement"
- The revised MFRS 127 "Separate Financial Statements"
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income"
- Amendment to MFRS 119 "Employee Benefits"
- Amendment to MFRS 132 "Financial Instruments: Presentation"
- Amendment to MFRS 7 "Financial Instruments: Disclosures"

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.

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 September 2013

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 30 Sept 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 30 Sept 2013	24,463	34,830	2,882	62,175
6 months Ended 30 Sept 2013	50,689	73,780	7,414	131,883
Total Assets				
As at 30 Sept 2013	211,671			211,671

*Revenue in the Malaysia segment includes sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM4.602 million for current quarter and RM11.313 million for 6 months ended 30th September 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

For the current quarter ended 30 September 2013 the Group recorded a revenue of RM62.2 million which represented a 5.5% decline over the corresponding quarter of the preceding year due mainly to a drop in shipment volume. Demand was strong but unplanned downtime of casters affected production capacity.

The Group incurred a lower net loss attributable to equity holders of RM1.4 million for quarter under review as compared to net loss of RM3.2 million recorded in the corresponding quarter last year. This was a result of improved margins coupled with a more favourable sales mix achieved in the current quarter.

Cash reserves at the end of the quarter under review stood at RM40.4 million as compared to RM32.7 million at the end of the corresponding quarter of the preceding year.

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

The Group recorded a pre-tax loss of RM1.9 million for the current quarter under review as compared to a pre-tax loss of RM0.9 million registered in the preceding quarter. The higher net loss was due mainly to a decline in shipment volumes by approximately 11% resulting from production capability limitation due to the unplanned caster downtime.

B3. Commentary on Prospects

Overall business environment remains challenging on both the global and domestic fronts with the domestic growth moving in a similar trend as last year. The Group will continue to maintain its strategy of optimizing its products portfolio to generate maximum contribution whilst continuing to enhance operational efficiencies and selective cost containment initiatives for the second half of the financial year.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

	Quarter (Jul-Sep) ended		6 months (Apr-Sep) ended	
	30 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	49	(294)	93	208
-deferred tax	(530)	843	(863)	109
In respect of prior period				
- income tax	0	0	173	0
- deferred tax	0	0	0	0
	(481)	549	(597)	317

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

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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 30 Sept 2013, the ALCOM Group had no bank borrowings outstanding.

B10. Derivative Financial Instruments

As at 30 Sept 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	14.97	14.93	0.04
(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.

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

Quarterly Report on Consolidated Results for the Second Quarter Ended 30 September 2013

B13. Earnings Per Share

	Quarter ended 30 Sep	Quarter ended 30 Sep	6 months ended 30 Sep	6 months ended 30 Sep
	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)	(1,399)	(3,161)	(2,200)	(1,330)
Weighted average number of Ordinary shares in issue (000)	132,252	132,252	132,252	132,252
Basic earnings(loss) per share (sen)	(1.06)	(2.39)	(1.66)	(1.01)

B14. Realised and Unrealised Profit and Losses Disclosure

Total retained profits of ALCOM Group and its subsidiaries companies as at 30 Sept 2013:

	Group	Company
	RM'000	RM'000
- Realised	46,384	25,879
- Unrealised	4,404	3,834
Total Retained Profits as per consolidated accounts	50,788	29,713
Less: Consolidation adjustments	(14,437)	-
Total Retained Profits as per Financial Statements:	<u>36,351</u>	<u>29,713</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 13 November 2013.

BY ORDER OF THE BOARD
BERNARD GOMEZ
DIRECTOR, FINANCE
BUKIT RAJA, KLANG
13 NOVEMBER 2013