

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

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 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.

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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 Dec 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 Dec 2013 | 27,440 | 32,508 | 2,576 | 62,524 |
| 9 months Ended 31 Dec 2013 | 78,129 | 106,288 | 9,990 | 194,407 |
| Total Assets | | | | |
| As at 31 Dec 2013 | 211,347 | | | 211,347 |

*Revenue in the Malaysia segment includes sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM4,186 million for current quarter and RM15,499 million for 9 months ended 31 December 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 Group Performance

For the quarter under review, the Group recorded a revenue of RM62.5 million which represented a 10.3% decline over the corresponding quarter of the preceding year due mainly to a lower shipment volume.

Despite the decline in shipment volume, the Group incurred a lower net loss attributable to equity holders of RM132,000 for quarter under review as compared to the corresponding quarter net loss of RM3.2 million of the previous year resulting mainly from improved margins coupled with favorable product sales mix which was directly linked to portfolio management changes in the current quarter.

Cash reserves at the end of the quarter under review stood at RM39.1 million as compared to RM24.6 million at the end of the corresponding quarter of the 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 RM125,000 for the current quarter under review as compared to a pre-tax loss of RM1.9 million registered in the preceding quarter. The improvement in the overall results was due mainly to the positive impact coming from portfolio management and on-going cost containment initiatives achieved during the quarter.

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. In addition, selective cost containment measures will be accelerated to compensate for the increased electricity costs.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

| | Quarter (Oct-Dec) ended | | 9 months (Apr-Dec) ended | |
|-------------------------------------|-------------------------|-------------|--------------------------|-------------|
| | 31 Dec 2013 | 31 Dec 2012 | 31 Dec 2013 | 31 Dec 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of current period | | | | |
| - income tax | 161 | (109) | 254 | 99 |
| -deferred tax | 96 | (735) | (767) | (626) |
| In respect of prior period | | | | |
| - income tax | 0 | 0 | 173 | 0 |
| - deferred tax | 0 | 0 | 0 | 0 |
| | 257 | (844) | (340) | (527) |

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate due mainly to taxable profits derived from the subsidiary company whilst the holding company incurred a pre-tax loss.

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

B10. Derivative Financial Instruments

As at 31 Dec 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 | 18.91 | 19.36 | (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

Not applicable.

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B13. Earnings Per Share

| | Quarter ended 31 Dec | Quarter ended 31 Dec | 9 months ended 31 Dec | 9 months ended 31 Dec |
|---|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| | 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) | (132) | (3,152) | (2,332) | (4,482) |
| Weighted average number of Ordinary shares in issue (000) | 132,252 | 132,252 | 132,252 | 132,252 |
| Basic earnings(loss) per share (sen) | (0.10) | (2.38) | (1.76) | (3.39) |

B14. Realised and Unrealised Profit and Losses Disclosure

Total retained profits of ALCOM Group and its subsidiaries companies as at 31 Dec 2013:

| | Group | Company |
|---|--------------|----------------|
| | RM'000 | RM'000 |
| - Realised | 46,685 | 25,757 |
| - Unrealised | 4,322 | 3,809 |
| Total Retained Profits as per consolidated accounts | 51,007 | 29,566 |
| Less: Consolidation adjustments | (14,788) | - |
| Total Retained Profits as per Financial Statements: | 36,219 | 29,566 |

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 February 2014.

BY ORDER OF THE BOARD
BERNARD GOMEZ
 DIRECTOR, FINANCE
 BUKIT RAJA, KLANG
 20 FEBRUARY 2014