

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 2014. 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 2014.

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 2014 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- MFRS 10, 'Consolidated Financial Statements'
- MFRS 12, 'Disclosures of Interests in Other Entities'
- MFRS 13, 'Fair Value Measurement'
- Revised MFRS 127, 'Separate Financial Statements'
- Amendments to MFRS 101 'Presentation of items of Other Comprehensive Income'
- Amendment to MFRS 119, 'Employee Benefits'
- Amendment to MFRS 7, 'Financial Instruments: Disclosures'
- Amendments to MFRS 10, 11 & 12 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance'
- Annual improvements 2009 – 2011 Cycle

The application of the standards and amendments to the standards do not have a 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

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 were no dividends declared or paid during the quarter ending 30 June 2014.

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 June 2014	27,818	35,543	2,771	66,132
3 months Ended 30 June 2014	27,818	35,543	2,771	66,132
Total Assets				
As at 30 June 2014	212,722			212,722

*Revenue in the Malaysia segment includes sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM6.774 million for the current quarter ended 30 June 2014.

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 RM66.1 million which represented a 5.1% decline over the corresponding quarter of the preceding year due to lower shipment volume coupled with the lower LME Aluminium prices.

The Group incurred a net loss of RM1.2million for the quarter ending 30 June 2014 as compared a net loss of RM0.8 million recorded in the corresponding quarter of the preceding year due mainly to the surge in the MJP(Main Japanese Ports) premium and increased energy prices. Against last year, for the same quarter, the MJP premium has surged 48% or USD119/metric ton whilst energy prices have increased substantially. In addition, *metal price lag*** adversely impacted the quarter's result.

Cash reserves at the end of the quarter under review stood at RM45.3 million as compared to RM34.7 million at the end of the corresponding quarter of the previous year.

*** Metal price lag pertains to timing differences experienced on the pass through of changing aluminum prices based on the difference in the price we pay for aluminum and the price we charge our customers after the aluminum is processed.*

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

The Group recorded a loss before tax of RM1.4 million for the current quarter under review as compared to a pre-tax profit of RM0.2 million registered in the preceding quarter largely impacted adversely by metal price lag and increased MJP premium.

B3. Commentary on Prospects

Over the remaining 3 quarters, the group will continue with its strategy of optimizing product portfolio of technologically advanced and value added products, as it faces the challenging global and domestic business environment. This strategy will be complimented with the ongoing performance improvement initiatives and selected cost reduction measures.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

	Quarter (Apr-Jun) ended		3 months (Apr-Jun) ended	
	30 Jun 2014	30 Jun 2013	30 Jun 2014	30 Jun 2013
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- current year	78	44	78	44
- under provision in prior years	0	173	0	173
Deferred Taxation				
- Origination and reversal of temporary differences	(255)	(333)	(255)	(333)
	(177)	(116)	(177)	(116)

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The effective tax rate of the Group for the current quarter was lower than the statutory tax rate due mainly to the increased deferred tax assets for the period under review.

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 June 2014, the ALCOM Group had no bank borrowings.

B10. Derivative Financial Instruments

As at 30 June 2014, 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	24.40	24.28	0.12
(ii) 1 year to 3 years; and	-	-	-
- Payables	-	-	-
- Receivables	-	-	-
(iii) More than 3 years.	-	-	-
- Payables	-	-	-
- Receivables	-	-	-

B11. Changes in Material Litigation

Not applicable.

B12. Dividend Payable

On 8 July 2014, ALCOM announced an interim single tier dividend of 5% in respect of the financial year ending 31 March 2015. The dividend amounted to approximately RM6.61 million and was paid on 12 August 2014.

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B13. Earnings Per Share

	Quarter ended 30 Jun	Quarter ended 30 Jun	3 months ended 30 Jun	3 months ended 30 Jun
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(a) Basic Earnings per share				
Net Profit(Loss) for the period (RM'000)	(1,241)	(800)	(1,241)	(800)
Weighted average number of Ordinary shares in issue (000)	132,252	132,252	132,252	132,252
Basic earnings(loss) per share (sen)	(0.94)	(0.61)	(0.94)	(0.61)

B14. Realised and Unrealised Profit and Losses Disclosure

Total retained profits of ALCOM Group and its subsidiaries companies as at 30 Jun 2014:

	Group	Company
	RM'000	RM'000
- Realised	45,476	24,064
- Unrealised	4,711	4,294
Total Retained Profits as per consolidated accounts	50,187	28,358
Less: Consolidation adjustments	(14,684)	-
Total Retained Profits as per Financial Statements:	35,503	28,358

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 27 Aug 2014.

**BY ORDER OF THE BOARD
BERNARD GOMEZ
DIRECTOR, FINANCE
BUKIT RAJA, KLANG
27 AUG 2014**