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 Mar 2015. 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 Mar 2015.

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 Mar 2015 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 136 'Recoverable Amount Disclosures for Non-Financial Assets'
- Amendments to MFRS 139 'Novation of Derivatives and Continuation of Hedge Accounting'
- Amendments to MFRS 10, MFRS 12 and MFRS 127 'Investment entities'
- IC Interpretation 21 'Levies'
- Amendments to MFRS 119 'Defined Benefit Plans: Employee Contributions'

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.

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 paid during the quarter under review.

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 RM'000	Asia RM'000	Other Regions RM'000	Total RM'000
Revenue				
Quarter Ended 31 Dec 2015	29,776	37,511	12,501	79,788
9 months Ended 31 Dec 2015	72,073	104,316	33,352	209,741
Total Assets As at 31 Dec 2015	210,237			210,237

* Revenue in the Malaysia segment included sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounted to RM2.28 million for the current quarter and RM9.79 million for 9 months ended 31 Dec 2015.

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. Capital Commitments

Authorised capital expenditure for property, plant and equipment not provided for in the financial statements were as follows:-

	Group 31 Dec 2015 RM'000
- Contracted	1,137
- Not Contracted	1,129
Total Capital Commitment	2,266

A11. 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.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group as at the date of this report.

A13. 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

Group revenue for the quarter was RM79.8 million which represented a 11% increase compared to the corresponding quarter in the preceding year. This improvement was due to higher shipment volumes coupled with the strengthened USD currency vis a vis the Ringgit resulted in higher revenues per metric ton for the export sales. This higher revenue was attained despite lower Aluminium prices on the LME(London Metal Exchange) and lower MJP(Main Japanese Port) transport premium.

The Group registered a profit after tax of RM3.1 million for the quarter ending 31 Dec 2015 as compared to net loss of RM1.7 million recorded in the corresponding quarter of the preceding year. The improved revenues per metric ton especially for the export sales and a tight rein on direct costs was the main contributory factors for this improved result.

Cash reserves at the end of the quarter under review stood at R36.6million as compared to RM34.6million 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 RM3.1 million for the current quarter under review as compared to a pre-tax profit of RM1.0 million registered in the preceding quarter. The higher pre-tax result was largely attributable to a higher shipment volume for the export market which was attained in tandem with the increased annual seasonal demand of the air-conditioning manufacturer's global market. This is reflected in the revenue which increased by 31% in comparison. In addition, direct costs per metric ton were much lower compared to the preceding quarter.

B3. Commentary on Prospects

The group is expected to close the financial year with an encouraging result especially since the net income for the cumulative 3 quarters the group has turned positive as compared to a net loss for the cumulative 3 quarters in the last financial year. In the final quarter we continue with improvement initiatives including better product mix, increased exports and cost reduction measures. In addition, the strengthened US currency vis a vis the Ringgit augurs well for the group especially for the export products.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit for the Period

Profit for the period is arrived at after charging/(crediting):-

	Quarter ended 31 Dec 2015 RM'000	Year To Date 31 Dec 2015 RM'000
Interest income	117	488
Other income	97	275
Interest expenses	(8)	(25)
Depreciation and amortization	(2,927)	(8,849)
Provision for and write-off receivables	-	(54)
Provision for and write-off inventories	(212)	(429)
Foreign exchange gain or (loss)	425	3,470
Gain/(Loss) on Derivatives	(469)	(3,636)

B6. Taxation

	Quarter ended		Year To Date	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Current Tax				
- current year	(1,065)	(70)	(1,201)	(165)
Deferred Taxation				
- Origination and reversal of temporary differences	(184)	516	204	582
	(1,249)	446	(997)	417

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate due to non-deductibility of certain expenses and reversal of deferred taxation after adjustment on temporary differences during the period under review.

B7. Status of Corporate Proposal

Not applicable.

B8. Group borrowings

As at quarter ending 31 Dec 2015, the ALCOM Group had no bank borrowings.

B9. Derivative Financial Instruments

As at 31 Dec 2015, 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'000	Fair Value RM'000
Less than 1 year		
- Payable	4,083	(6)
- Receivable	37,386	(53)

B10. Changes in Material Litigation

Not applicable.

B11. Dividend Payable

Not applicable.

B12. Earnings Per Share

	Quarter ended 31 Dec 2015	Quarter ended 31 Dec 2014	9 months ended 31 Dec 2015	9 months ended 31 Dec 2014
Net Profit/(Loss) attributable to shareholders (RM'000)	3,108	(1,651)	2,144	(3,933)
Weighted average number of ordinary shares in issue (000)	132,252	132,252	132,252	132,252
Basic earnings/(loss) per share (sen)	2.35	(1.25)	1.62	(2.97)

B13. Realised and Unrealised Profit and Losses Disclosure

The determination of Realised and Unrealised Profits or Losses is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and at the directive of Bursa Malaysia Securities Berhad:

	Group RM'000	Company RM'000
Total retained profits before consolidated adjustments		
- Realised	32,202	10,175
- Unrealised	7,170	5,565
Total Retained Profits as per consolidated accounts	39,372	15,740
Less: Consolidation adjustments	(15,348)	-
Total Retained Profits as per Financial Statements:	24,024	15,740

B14. 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 16 February 2016.

BY ORDER OF THE BOARD
STEPHANIE LAM LEE SAN
COMPANY SECRETARY
BUKIT RAJA, KLANG
16 February 2016