

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:

- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle
- Amendments to MFRS 119 “Defined Benefit Plans: Employees 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.

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the new standards, amendments to standards and interpretations in the following financial years:

- (i) Financial year beginning on/after 1 April 2016
 - Amendment to MFRS 11 “Joint arrangements”
 - Amendment to MFRS 116 “Property, plant and equipment”
 - Amendment to MFRS 138 “Intangible assets”
- (ii) Financial year beginning on/after 1 April 2018
 - MFRS 9 “Financial instruments”
 - MFRS 15 “Revenue from contracts with customers”

Management is in the process of assessing the impact of the above standards and amendments to published standards on the financial statements of the Group and the Company in the year of initial application.

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 March 2016

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.

	Revenue	
	Quarter Ended 31 Mar 2016 RM'000	Year To Date 31 Mar 2016 RM'000
Malaysia	23,940	96,013
Asia	39,752	144,068
Europe	8,268	23,148
Middle East	2,990	14,051
Oceania	1,185	5,079
Africa	1,484	4,913
South America	47	135
Total	<u>77,666</u>	<u>287,407</u>

ALUMINIUM COMPANY OF MALAYSIA BERHAD (ALCOM) (Co. No. 3859-U)
Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 March 2016

A8. Segmental information (continued)

Total Assets	RM'000
As at 31 Mar 2016	206,212

Revenue in the Malaysia segment included sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounted to RM3.55 million for the current quarter and RM13.34 million for 12 months ended 31 Mar 2016.

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 2016
	RM'000
- Contracted	163
- Not Contracted	313
Total Capital Commitment	<u>476</u>

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

The company has received notice issued by Companies Commission of Malaysia on 21 April 2016 and announced to Bursa Securities Malaysia Berhad that AL DOTCOM SDN. BHD. ("ADSB"), a dormant wholly-owned subsidiary of the Company had been struck off and deem dissolved following the publication of the notice of striking off company name pursuant to Section 308(4) of the Companies Act, 1965 ("Act") in the Gazette on 4 August 2015. As such, ADSB has ceased to be a subsidiary of the Company.

Other than the above, 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

For the quarter under review, the Group registered a shipment volume increase of 4.2% compared to the corresponding quarter in the preceding year with much of the increase derived from higher export volumes. However, the revenue generated of RM77.67 million was RM0.15million lower due mainly to the subdued Aluminium prices on the LME(London Metal Exchange) and lower MJP(Main Japanese Port) transport premium.

The Group registered a net loss after tax of RM0.57 million for the quarter ending 31 Mar 2016 as compared to a net profit after tax of RM2.46 million recorded in the corresponding quarter of the preceding year. The result for the quarter was impacted by impairment loss of RM2.13 million for selected assets which were written down to its fair value. In addition, following the annual physical stock-take there was an inventory adjustment gain in the quarter. This gain was approximately RM0.92 million lower as compared to the gain in the corresponding quarter of the preceding year. Also, to supplement the Group's capacity constraint, higher semi-finished coils were purchased in the current quarter as compared to the same period in the preceding year.

Cash reserves at the end of the quarter under review stood at RM50.48 million as compared to RM61.81 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 loss of RM0.28.million for the current quarter under review as compared to a pre-tax profit of RM4.36 million registered in the preceding quarter. Shipment volume for the export market was higher in the quarter under review. However, the result for the quarter was impacted by impairment loss of RM2.13 million for selected assets which were written down to its fair value.

In addition, repairs and maintenance costs incurred were higher in the current quarter resulting from planned maintenance shutdown for one caster line. To supplement the Group's capacity constraint, costs incurred for the purchase of semi-finished coils were RM1.0 million higher in the current quarter as compared to the preceding year. The Group also incurred consultancy costs in the quarter under review. The consultants were engaged to improve productivity so as to increase yields. Further, there was a metal price lag loss of RM0.50 million in the quarter under review compared to a metal price lag gain of RM0.84 million in the preceding quarter.

**Metal price lag refers 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.*

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 March 2016

B3. Commentary on Prospects

Against the background of uncertainty in the global market, the performance of the Group for the financial year ending 31 Mar 2017 is expected to move in tandem with this uncertainty as well as the challenges from the competitive business climate. Also, given the capacity constraint, there will be an increased emphasis on higher value products to coincide with the plan to optimize the product mix offerings to existing and potential customers. This is necessary given the expected higher costs associated with external semi-finished coils to supplement the limited in-house production capacity.

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 Mar 2016 RM'000	Year To Date 31 Mar 2016 RM'000
Interest income	131	619
Other income	156	430
Interest expenses	(9)	(33)
Depreciation and amortization	(3,061)	(11,909)
Provision for and write-off receivables	-	(54)
Physical inventory adjustment (gain)/loss	(930)	(930)
Provision for and write-off inventories	820	512
Impairment of property, plant and equipment	(2,125)	(2,125)
Foreign exchange gain or (loss)	(2,830)	640
Gain/(Loss) on Derivatives	2,498	(1,137)

B6. Taxation

	Quarter ended		Year To Date	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Current Tax				
- current year	(914)	(962)	(2,115)	(1,127)
- under/(over) provision	62	-	62	-
Deferred Taxation				
- Origination and reversal of temporary differences	560	31	764	613
	(292)	931	(1,289)	514

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.

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 March 2016

B7. Status of Corporate Proposal

Not applicable.

B8. Group borrowings

As at quarter ending 31 March 2016, the ALCOM Group had no bank borrowings.

B9. Derivative Financial Instruments

As at 31 March 2016, 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	9,027	8,735
- Receivable	32,564	31,316

B10. Changes in Material Litigation

Not applicable.

B11. Dividend Payable

Not applicable.

B12. Earnings Per Share

	Quarter ended 31 Mar 2016	Quarter ended 31 Mar 2015	12 months ended 31 Mar 2016	12 months ended 31 Mar 2015
Net Profit/(Loss) attributable to shareholders (RM'000)	(571)	2,810	1,571	(1,477)
Weighted average number of ordinary shares in issue (000)	132,252	132,252	132,252	132,252
Basic earnings/(loss) per share (sen)	(0.43)	2.12	1.19	(1.12)

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:

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

Quarterly Report on Consolidated Results for the Fourth Quarter Ended 31 March 2016

B13. Realised and Unrealised Profit and Losses Disclosure (Continued)

	Group	Company
	RM'000	RM'000
Total retained profits before consolidated adjustments		
- Realised	34,827	10,384
- Unrealised	4,565	4,403
Total Retained Profits as per consolidated accounts	<u>39,392</u>	<u>14,787</u>
Less: Consolidation adjustments	(14,944)	-
Total Retained Profits as per Financial Statements:	<u>24,448</u>	<u>14,787</u>

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 26 May 2016.

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