

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

- (a) 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 2017. 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 2017.

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 2017 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- Amendments to MFRS 107 “Statement of Cash Flows” – Disclosure Initiative
- Amendments to MFRS 112 “Income taxes” - Recognition of deferred tax assets for unrealised losses

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 January 2018
- MFRS 9 “Financial instruments”
 - MFRS 15 “Revenue from contracts with customers”
 - IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration”
- (ii) Financial year beginning on/after 1 January 2019
- MFRS 16 “Leases”

The 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.

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.

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A3. Comments about Seasonal or Cyclical Factors

One of the products category that the Group manufactures and sells is finstock (both bare and coated). This products are supplied to air conditioner manufacturers, in which sector demand is 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.

The final special single-tier dividend of 20.5 sen per share in respect of the financial year ended 31 March 2017, which was approved by the shareholders at the Fifty-Sixth Annual General Meeting of the Company on 22 June 2017, was paid to shareholders on 13 July 2017.

A8. Segmental information

The 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 which are as follows:

	Revenue	
	Quarter Ended 30 June 2017 RM'000	Year-To-Date 30 June 2017 RM'000
Malaysia	36,581	36,581
Thailand	18,061	18,061
India	17,752	17,752
Asia (excluding Malaysia, Thailand and India)	5,466	5,466
Europe	9,964	9,964
Middle East	5,118	5,118
Others	2,261	2,261
Total	95,203	95,203

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A8. Segmental information (continued)

Revenue in the Malaysia segment included sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas which amounted to RM5.2 million for the current quarter and year-to-date ended 30 June 2017.

Total Assets	RM'000
As at 30 June 2017	224,931

A9. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment for the current 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
	30 June 2017
	RM'000
- Contracted	8,393
- Not Contracted	18,791
Total Capital Commitment	<u>27,184</u>

A11. Material events subsequent to the end of the interim period

Except for those in Note B7, there were no material events subsequent to the end of the period under review up to the date of this announcement that have not been disclosed in this quarterly financial statements.

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 Group had no contingent liabilities or contingent assets as at end of the quarter.

A14. Related party disclosures

	Quarter Ended
	30 June 2017
	RM'000
Sales to related parties	1,381

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
 LISTING REQUIREMENTS OF BMSB**

B1. Review of Group Performance

Financial review of first quarter ended 30 June 2017 for the financial period ending 31 December 2017 (“Q1 FP2017”) vs first quarter for the financial year ended 30 June 2017 (“Q1 FY2017”)

	Individual Quarter (1st quarter)		Change (%)	Cumulative Quarter		Change (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To -date	Preceding Year Corresponding Period	
	30 June 2017	30 June 2016		30 June 2017	30 June 2016	
	RM '000	RM '000		RM '000	RM '000	
Revenue	95,203	73,869	29%	95,203	73,869	29%
Profit Before Interest and Tax	5,280	2,281	131%	5,280	2,281	131%
Profit Before Tax	5,280	2,274	132%	5,280	2,274	132%
Profit After Tax	4,029	1,153	249%	4,029	1,153	249%

For Q1 FP2017, the Group recorded a revenue of RM95.2 million which was RM21.3 million higher than Q1 FY2017. The higher revenue was primarily attributable to a shipment volume being higher by 5% in the export category and a 21% increase in the base metal costs. Base metal costs which is denominated in USD comprise of aluminium prices quoted on the London Metal Exchange and transport premium.

In addition, the weaker Ringgit vis-a-vis the USD currency also contributed to this higher revenue achievement given that the export sales portion represented approximately 65% of the total shipment volume. The Ringgit was approximately 9% weaker in Q1 FP2017 vs Q1 FY2017.

The Group registered a profit before tax of RM5.3 million for Q1 FP2017; an improvement of RM3.0 million compared to the corresponding quarter last year which recorded a profit before tax of RM2.3 million.

The comparatively better profitability performance was largely attributable to the higher contribution attained from the revenue growth with a favourable product mix. However, the result was impacted by higher provisions for bonus and customer complaints, higher professional fees namely for the impending capital reduction exercise and foreign exchange losses as compared to a foreign exchange gain recorded in Q1 FY2017. These was offset partially by lower depreciation charge for the quarter and allocations no longer being incurred after the previous major shareholder, Novelis Inc had divested their interest in the Group.

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B2. Financial review of current quarter ended 30 June 2017 for the financial period ending 31 December 2017 (“Q1 FP2017”) compared with the immediate preceding quarter ended 31 March 2017 (“Q4 FY2017”)

	Current Quarter	Immediate Preceding Quarter	Change (%)
	30 June 2017	31 March 2017	
	RM '000	RM '000	
Revenue	95,203	84,274	13%
Profit Before Interest and Tax	5,280	5,220	1%
Profit Before Tax	5,280	5,210	1%
Profit After Tax	4,029	4,967	-19%

The Group registered a revenue of RM95.2 million for Q1 FP2017, representing a revenue growth of 13% or RM10.9 million over Q4 FY2017. Higher shipment volumes by 7% in the export category together with higher base metal costs by 10% were the primary reasons for the revenue increase.

The higher revenue however left the profit before tax that was attained for Q1 FP2017 of RM5.3 million relatively unchanged in the quarter-to-quarter comparison. This was mainly because although a higher contribution was derived from a more favourable sales portfolio, there were certain costs that were much higher in the quarter under review as compared to Q4 FY2017. These were increases in depreciation charge, bonus provisions, advertising, professional fees and a higher foreign exchange loss. Higher advertising was incurred for roofing products whilst increased professional fees was incurred for the impending capital reduction exercise. All of these were partially offset by lower telecommunications costs no longer being charged by Novelis Inc as the Group has moved all its servers back to Malaysia effective April 2017. In addition, in Q4 FY2017 there were gains from disposal of company vehicles and an inventory adjustment gain pursuant to the annual inventory physical count.

B3. Commentary on Prospects

Global growth is expected to strengthen with pick up in manufacturing and trade amid the downside risk of increased protectionism.

Against this background, the Group will continue to be attentive and responsive to this business environment to sustain its performance by defending its existing position against the aggressive competition whilst exploring potential new markets to capture a bigger market share as we expand our capacity by the end of next year.

B4. Variance of actual profit from forecast profit

Not applicable.

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B5. Profit for the Period

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

	Quarter ended 30 June 2017 RM'000	Year-To-Date 30 June 2017 RM'000
Interest income	254	254
Other income	3	3
Depreciation and amortization	(2,201)	(2,201)
Provision for and write-off inventories	113	113
Foreign exchange (gain)/loss		
- Realised	134	134
- Unrealised	(7)	(7)
Net fair value (gain)/loss on Derivatives	73	73

B6. Taxation

	Quarter ended		Year-To-Date	
	30 June 2017 RM'000	30 June 2016 RM'000	30 June 2017 RM'000	30 June 2016 RM'000
Current Tax				
- current year	(1,620)	(714)	(1,620)	(714)
Deferred Taxation				
- Origination and reversal of temporary differences	369	(407)	369	(407)
	(1,251)	(1,121)	(1,251)	(1,121)

The effective tax rate of the Group for the current quarter was consistent with the statutory tax rate.

B7. Status of Corporate Proposals

On 12 April 2017, Alcom made an announcement on a proposal to undertake a capital reduction and repayment to the shareholders of Alcom of up to RM42,985,871.36 on the basis of RM0.32 for each ordinary share in Alcom (“Alcom Share” or “Share”) held, via a reduction of the share capital of Alcom pursuant to Section 116 of the Companies Act, 2016 (“Act”) (“Capital Repayment”).

The Capital Repayment was approved by the shareholders at the Extraordinary General Meeting held on 22 June 2017.

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B7. Status of Corporate Proposals (continued)

On 28 June 2017, Alcom filed a petition to the High Court of Malaya at Kuala Lumpur (“KL High Court”) for confirmation of the Capital Repayment approved by the shareholders of Alcom to reduce the share capital of Alcom from RM142,443,933 to between RM99,458,061.64 and RM100,123,341.64 pursuant to Section 116 of the Act.

On 9 August 2017, the KL High Court granted a court order confirming the Capital Repayment pursuant to Section 116 of the Act (“Order”).

The sealed copy of the Order dated 9 August 2017 was extracted from the KL High Court on 14 August 2017 and lodged with the Registrar of Companies on 24 August 2017, being the entitlement date for the Capital Repayment, upon which the Capital Repayment took effect.

Shareholders of the Company whose names appear on the Record of Depositors of the Company with Bursa Malaysia Depository Sdn Bhd at 5.00 p.m. on 24 August 2017 shall be entitled to the Capital Repayment which will be distributed by way of cash to them on 11 September 2017.

B8. Group borrowings

As at quarter ended 30 June 2017, the Group had no bank borrowings.

B9. Derivative Financial Instruments

As at 30 June 2017, 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	10,734	10,727
- Receivable	45,812	45,770

B10. Changes in Material Litigation

Not applicable.

B11. Dividend Payable

No dividend has been declared for the current quarter under review.

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B12. Earnings Per Share

	Quarter ended 30 June 2017	Quarter ended 30 June 2016	Year-To-Date 30 June 2017	Year-To-Date 30 June 2016
Net Profit attributable to shareholders (RM'000)	4,029	1,153	4,029	1,153
Weighted average number of ordinary shares in issue (000)	132,252	132,252	132,252	132,252
Basic earnings per share (sen)	3.05	0.87	3.05	0.87

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 BMSB Listing Requirements, as issued by the Malaysian Institute of Accountants and at the directive of BMSB:

	As at 30 June 2017	
	Group RM'000	Company RM'000
Total retained profits before consolidated adjustments		
- Realised	49,669	25,399
- Unrealised	5,460	4,968
Total Retained Profits as per consolidated accounts	<u>55,129</u>	<u>30,367</u>
Less: Consolidation adjustments	(14,963)	-
Total Retained Profits as per Financial Statements:	<u>40,166</u>	<u>30,367</u>

B14. Authorization of Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors passed on 28 August 2017.

BY ORDER OF THE BOARD
28 August 2017