

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)  
Condensed Consolidated Statement of Comprehensive Income (Unaudited) for the Quarter ended 31 Dec 2016

	Quarter ended 31 Dec 2016 RM'000	Quarter ended 31 Dec 2015 RM'000	9 months ended 31 Dec 2016 RM'000	9 months ended 31 Dec 2015 RM'000
Revenue	81,789	79,788	232,858	209,741
Expenses excluding tax	(76,341)	(75,587)	(223,259)	(207,231)
Other operating income	305	156	971	631
Profit/(loss) before tax	5,753	4,357	10,570	3,141
Taxation	(2,021)	(1,249)	(3,926)	(997)
Net profit /(loss) for the period	3,732	3,108	6,644	2,144
Other comprehensive income :				
<u>Item that will not be classified subsequently to profit or loss</u>				
Actuarial losses/(gains) on gratuity scheme	-	-	-	-
Total comprehensive profit/(loss) for the period	3,732	3,108	6,644	2,144
Attributable to:				
- Shareholders of the Company	3,732	3,108	6,644	2,144
	3,732	3,108	6,644	2,144
Basic earnings/(loss) per ordinary share (sen)	2.82	2.35	5.02	1.62
Diluted earnings/(loss) per ordinary share (sen)	2.82	2.35	5.02	1.62

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2016 )

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)**  
**Condensed Consolidated Statement of Financial Position as at 31 Dec 2016 (Unaudited)**

	<b>UNAUDITED</b> As At 31 Dec 2016 RM'000	<b>AUDITED</b> As At 31 Mar 2016 RM'000
<b>NON-CURRENT ASSET</b>		
Property, plant and equipment	65,171	71,020
<b>CURRENT ASSETS</b>		
Inventories	54,456	48,369
Trade receivables	41,712	31,962
Amount due from related companies	-	29
Other receivables and prepayments	871	6,216
Derivative financial instruments	2	1,428
Deposits, cash and bank balances	39,547	50,709
	<u>136,588</u>	<u>138,713</u>
<b>LESS: CURRENT LIABILITIES</b>		
Trade payables	5,911	22,601
Other payables and accruals	11,179	11,109
Amount due to related companies	131	-
Provision for Taxation	1,738	581
Derivative financial instruments	488	292
Borrowings	-	-
	<u>19,447</u>	<u>34,583</u>
<b>NET CURRENT ASSETS</b>	117,141	104,130
<b>LESS : NON-CURRENT LIABILITIES</b>		
Provision for gratuity scheme	5,864	5,595
Deferred taxation	5,240	4,991
	<u>11,104</u>	<u>10,586</u>
	<u>171,208</u>	<u>164,564</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	134,331	134,331
Share premium	4,113	4,113
Other reserves	1,670	1,670
Revenue reserve	31,094	24,450
Total Equity	<u>171,208</u>	<u>164,564</u>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2016)**

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)**  
**Condensed Consolidated Statement of Changes In Equity (Unaudited) For the Quarter Ended 31 Dec 2016**

	Share capital RM'000	Non-distributable Share premium RM'000	Other reserves RM'000	Distributable Revenue reserve RM'000	Total RM'000
<b>Balance as at 1 April 2016</b>	134,331	4,113	1,670	24,450	164,564
<u>Total comprehensive loss:</u>					
Profit/(Loss) for the period	-	-	-	6,644	6,644
Actuarial gains on gratuity scheme	-	-	-	-	-
Total comprehensive income for the period	-	-	-	6,644	6,644
<u>Transactions with owners:</u>					
- Dividend for the period to 31 Dec 2016	-	-	-	-	-
<b>Balance as at 31 Dec 2016</b>	134,331	4,113	1,670	31,094	171,208
<b>Balance as at 1 April 2015</b>	134,331	4,113	1,670	28,493	168,607
<u>Total comprehensive loss:</u>					
Profit/(Loss) for the period	-	-	-	2,144	2,144
Actuarial losses on gratuity scheme	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	2,144	2,144
<u>Transactions with owners:</u>					
- Dividend for the period to 31 Dec 2015	-	-	-	(6,613)	(6,613)
<b>Balance as at 31 Dec 2015</b>	134,331	4,113	1,670	24,024	164,138

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2016)

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**

9 months ended 31 Dec	9 months ended 31 Dec
2016 RM'000	2015 RM'000

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit/(Loss) before Tax	10,570	3,141
Adjustment for:-		
Property, plant and equipment		
- depreciation	8,240	8,849
- gain on disposal	-	-
Interest Expense	23	25
Interest Income	(900)	(488)
Impairment loss of property, plant and equipment	-	-
Provision for gratuity scheme	680	565
Allowance for inventory writedown	303	429
Net fair value loss/(gain) on currency forwards	1,623	(551)
Unrealised foreign exchange (gain)/loss	(566)	-
Taxation	(115)	-
	<b>19,858</b>	<b>11,970</b>

Changes in Working Capital:-

Inventories	(6,389)	498
Receivables	(3,957)	(16,311)
Payables	(16,918)	(8,123)
Balances with related companies	160	(585)

Cash from operations **(7,246)** **(12,551)**

Tax Refunded	-	-
Tax Paid	(1,989)	(931)
Gratuity Paid	(413)	(400)
Net cash from operating activities	<b>(9,648)</b>	<b>(13,882)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Property, plant and equipment		
- purchases	(2,391)	(943)
- proceeds from disposal	-	-
Interest income received	900	488
Net cash used in investing activities	<b>(1,491)</b>	<b>(455)</b>

**CASH FLOWS FROM FINANCING ACTIVITY**

Drawdown of borrowings	-	-
Repayment of borrowings	-	(4,494)
Dividend payment to owners	-	(6,613)
Interest paid	(23)	(25)
Net cash used in financing activities	<b>(23)</b>	<b>(11,132)</b>

**Net Movement in Cash and Cash Equipvalents (11,162) (25,469)**

**Foreign exchange differences - -**

**Cash & Cash Equipvalents at beginning of year 50,709 62,045**

**Cash & Cash Equipvalents at end of period 39,547 36,576**

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2016)**

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (“ALCOM”) (Co. No. 3859-U)**  
Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 2016

**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 2016. 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 2016.

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 2016 except for the following standards, amendments to published standards and interpretations to existing standards which are applicable:

- Amendments to MFRS 116 “Property, plant and equipment”
- Amendments to MFRS 138 “Intangible assets”

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 2017
- Amendments to MFRS 107 “Statement of cash flows” - Disclosure initiative
  - Amendments to MFRS 112 “Income taxes” - Recognition of deferred tax assets for unrealised losses
- (ii) Financial year beginning on/after 1 April 2018
- MFRS 9 “Financial instruments”
  - MFRS 15 “Revenue from contracts with customers”
- (iii) Financial year beginning on/after 1 April 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.

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

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 2016

### A3. Comments about Seasonal or Cyclical Factors

One of the products that the Group manufactures and sells is finstock (both bare and coated). This product is 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.

### 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 31 Dec 2016 RM'000	Year To Date 31 Dec 2016 RM'000
Malaysia	22,388	69,417
Thailand	27,820	72,490
India	14,804	41,613
Asia (excluding Malaysia, Thailand and India)	2,763	8,651
Europe	9,611	23,212
Middle East	1,967	11,552
Others	2,436	5,923
Total	<u>81,789</u>	<u>232,858</u>

Revenue in the Malaysia segment which included sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounted to RM1.8 million for the current quarter and RM8.4 million for the year-to-date ended 31 December 2016.

<b>Total Assets</b>	<b>RM'000</b>
As at 31 December 2016	201,759

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (“ALCOM”) (Co. No. 3859-U)**  
Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 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:

	<b>Group 31 Dec 2016 RM'000</b>
- Contracted	3,342
- Not Contracted	3,745
Total Capital Commitment	<u>7,087</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 has been prepared.

**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.

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

**B1. Review of Group Performance**

**Third quarter ended 31 December 2016 (“Q3 FY2017”) vs third quarter ended 31 December 2015 (“Q3 FY2016”)**

The Group’s recorded a revenue of RM81.8 million for the quarter under review (Q3 FY2017) which was RM2.0 million higher than the corresponding quarter of the preceding year (Q3 FY2016). This increased revenue was achieved with a better product mix against the background of a lower shipment volume and with aluminium prices on the London Metal Exchange (“LME”) being much higher in Q3 FY2017 compared to Q3 FY2016.

The Group registered a pre-tax profit of RM5.8 million for Q3 FY2017 as compared to the pre-tax profit of RM4.4 million in Q3 FY2016.

The comparatively better profitability performance was largely attributable to the higher contribution generated from a favorable sales mix shipment volume of the Coated Fin product category which is the one of the highest value product offerings by the Group. This was offset partially by higher costs with higher provisions made for staff bonus, employee welfare and directors’ fees.

Cash reserve at the end of Q3 FY2017 stood at RM39.5 million as compared to RM36.6 million at the end of Q3 FY2016.

**Year-to-date ended 31 December 2016 (“YTD FY2017”) vs year-to-date ended 31 December 2015 (“YTD FY2016”)**

For the YTD FY2017, the Group recorded a revenue of RM232.9 million compared to RM209.7 million in the corresponding period YTD FY2016. This was largely derived from the higher shipment volumes achieved mainly for the Coated Fin product category which was in line with the Group’s product portfolio strategy. This improved revenue was achieved despite the aluminium prices on the LME and transport premiums in aggregate being approximately 14% lower on average for YTD FY2017 as compared to YTD FY2016.

This increased revenue was the large contributor to the pre-tax profit achievement of RM10.6 million in YTD FY2017 as compared to the pre-tax profit of RM3.1 million posted in YTD FY2016. This significant improvement was mainly due to the strong shipment performance with focus on the increased volumes in the higher value product portfolio.

This performance was partially offset by increased costs in repairs & maintenance of machinery, higher imported reroll premium incurred, higher provisions for staff bonus, employee welfare and directors’ fees. In addition, there was also higher provision for customer complaints with the introduction of warranty claims for roofing in YTD FY2017; contrasting with the reversal of provision for quality claim no longer required in YTD FY2016. The Group also incurred costs in YTD FY2017 which were related directly to the divestment by Novelis Inc. of its major stake in the Company. These costs included the engagement of professional services in relation to this divestment.



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

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 2016

### B2. Material Changes in Profit before Taxation for the Quarter of Q3 FY2017 (“Q3 FY2017”) as compared with the Immediate Preceding Quarter ended 30 September 2016 (“Q2 FY2017”)

The Group recorded a pre-tax profit of RM5.8 million for the current quarter under review (Q3 FY2017) as compared to a pre-tax profit of RM2.5 million registered in the immediate preceding quarter (“Q2 FY2017”).

The higher pre-tax result in Q3 FY2017 was attained with a more favourable product mix despite shipment volumes being flat in Q3 FY2017 vs Q2 FY2017. The result also improved due to a higher *metal price lag gain\**, lower warranty claims provisions, lower repairs & maintenance costs as well as lower provision requirement for inventory obsolescence. These items were offset partially by higher provisions made for staff bonus, employee welfare and directors' fees.

*\*metal price lag refers to timing differences experienced on the pass through of changing aluminium prices based on the price we pay for aluminium and the price we charge our customers after the aluminium is processed.*

### B3. Commentary on Prospects

Notwithstanding the uncertainty of the macro environment which persisted in 2016, the Group has reported profits for the three consecutive financial quarters.

Going forward into 2017 with global growth expected to register at an uneven pace across regions and major economies, the Group will continue to be vigilant and responsive to the external business environment to sustain its performance. Concentration on operational efficiency and financial discipline will continue whilst maintaining focus on optimizing its products' sales mix and aggressively exploring potential new markets for its core 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 2016 RM'000	Year-To-Date 31 Dec 2016 RM'000
Interest income	301	900
Other income	4	71
Interest expenses	(8)	(23)
Depreciation and amortization	(2,502)	(8,240)
Provision for and write-off inventories	124	(57)
Foreign exchange (gain)/loss		
- Realised	412	(206)
- Unrealised	(576)	(1,813)
Net fair value (gain)/loss on Derivatives	10	1,623

**ALUMINIUM COMPANY OF MALAYSIA BERHAD (“ALCOM”) (Co. No. 3859-U)**  
 Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 2016

**B6. Taxation**

	Quarter ended		Year-To-Date	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
<b>Current Tax</b>				
- current year	(1,825)	(1,065)	(3,675)	(1,201)
- under/(over) provision	-	-	-	-
<b>Deferred Taxation</b>				
- Origination and reversal of temporary differences	(196)	(184)	(251)	204
<b>Total</b>	<b>(2,021)</b>	<b>(1,249)</b>	<b>(3,926)</b>	<b>(997)</b>

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.

**B7. Status of Corporate Proposals**

Not applicable.

**B8. Group borrowings**

As at end of Q3 FY2017, the Group had no bank borrowings.

**B9. Derivative Financial Instruments**

As at 31 December 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	4,887	4,888
- Receivable	41,487	41,975

**B10. Changes in Material Litigation**

Not applicable.

**B11. Dividend Payable**

Not applicable. No dividend has been declared for the current period under review.

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

Quarterly Report on Consolidated Results for the Third Quarter Ended 31 December 2016

**B12. Earnings Per Share**

	Quarter ended 31 Dec 2016	Quarter ended 31 Dec 2015	Year-To-Date 31 Dec 2016	Year-To-Date 31 Dec 2015
Net Profit/(Loss) attributable to shareholders (RM'000)	3,732	3,108	6,644	2,144
Weighted average number of ordinary shares in issue (000)	132,252	132,252	132,252	132,252
Basic earnings/(loss) per share (sen)	2.82	2.35	5.02	1.62

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

	As at 31Dec 2016	
	Group RM'000	Company RM'000
Total retained profits before consolidated adjustments		
- Realised	51,025	16,755
- Unrealised	(4,674)	(4,131)
Total Retained Profits as per consolidated accounts	46,351	12,624
Less: Consolidation adjustments	(15,257)	-
Total Retained Profits as per Financial Statements:	31,094	12,624

**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 21 February 2017.

**BY ORDER OF THE BOARD**  
21 February 2017