ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

No.3, Persiaran Waja,
Bukit Raja Industrial Estate,
41050 Klang,
Selangor Darul Ehsan,
Malaysia.

Telephone : 03-3346 6262
Telefax : 03-3341 2793

www.alcom.com.my

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

ANNUAL REPORT **2014**

alcom

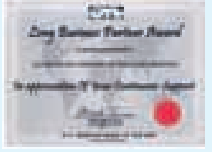
ALUMINIUM COMPANY OF MALAYSIA BERHAD
(3859-U)

ANNUAL REPORT 2014

AWARDS & HONOURS

NOVELIS GLOBAL EHS RECOGNITION
Gold Award 2012

STARBIZ-ICR CORPORATE RESPONSIBILITY AWARDS
Finalist "Environment" Category 2010



O.Y.L. MANUFACTURING CO. SDN. BHD.
Long Business Partner Award 2010

O.Y.L. MANUFACTURING CO. SDN. BHD.
Green Procurement Partner Certificate 2010

STARBIZ-ICR COPORATE RESPONSIBILITY AWARDS
WINNER "Workplace" Category 2009

TOSHIBA CARRIER (THAILAND) CO. LTD.
Supplier Quality: Excellent Award 2009

INDUSTRY EXCELLENCE AWARDS
Product Excellence Award 2008 (Open Category)

INDUSTRY EXECELLENCE AWARDS
Prime Minister's Award for Industry Excellence 2008

HITACHI AIR-CONDITIONING PRODUCTS (M) SDN. BHD.
Excellent Business Partners' Award 2007

PANASONIC HA AIR-CONDITIONING (M) SDN. BHD.
Strategic Business Partner Award 2007

COVER RATIONALE

ALCOM is investing actively in coatings and manufacturing innovation that enable us to transform aluminium and scrap into unique, value added products for our customers. Our coated finstock, lacquered foil and roofing are some of the products in which we have innovated to create unique solutions for the most demanding global applications. With two-thirds of our products exported outside of Malaysia, we have global presence. We attain the highest quality and technical requirements of our customers, and aspire to be world-class in everything we do.

OUR CORE VALUES

The following values aligned with those of the Novelis Inc., and Aditya Birla Group, guiding our behavior in support of our strategy. As individuals and as a company, we live by these values every day.

INTEGRITY:
honesty in every action

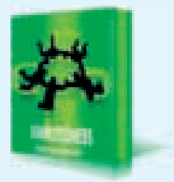
By always striving to act in a manner that is fair and honest, we adhere to the highest standards of integrity and professionalism in everything we do.

COMMITMENT:
deliver on the promise

With integrity as our foundation, we are committed to doing whatever it takes to deliver value to all stakeholders by taking responsibility for our own actions and the collective actions of the Novelis team.

PASSION:
energized action

We bring a definitive passion to our relentless pursuit of shared goals and objectives, an energetic sense of engagement that is evident in our great enthusiasm for cooperative performance.



SEAMLESSNESS:
boundary less in letter and spirit

We endeavor to think and work seamlessly by leveraging the value of our shared beliefs and best practices across functional, business and geographic boundaries.

SPEED:
one step ahead always

By responding to the needs of our customers and partners with focused urgency, we continuously seek to accelerate performance and shorten delivery timelines for optimum speed and efficiency.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Third Annual General Meeting of Aluminium Company of Malaysia Berhad will be held at Level 3, Atlanta East, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 27 August 2014 at 2.00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31 March 2014 and the reports of the directors and auditors thereon.

2. To re-elect Mr. Shashi Kant Maudgal who retires in accordance with Article 92(A) of the Articles of Association of the Company. **Ordinary Resolution 1**

3. To re-appoint Dato' Kok Wee Kiat who retires pursuant to Section 129 of the Companies Act, 1965 to hold office until the next Annual General Meeting. **Ordinary Resolution 2**

4. To re-appoint Y.M. Tengku Yunus Kamaruddin who retires pursuant to Section 129 of the Companies Act, 1965 to hold office until the next Annual General Meeting. **Ordinary Resolution 3**

5. To approve the payment of directors' fees of RM136,000 for the financial year ended 31 March 2014 (2013: RM136,000) **Ordinary Resolution 4**

6. To re-appoint Messrs PricewaterhouseCoopers as auditors and to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix the Auditors' remuneration. **Ordinary Resolution 5**

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:-

7. **Authority under Section 132D of the Companies Act, 1965, for the Directors to Issue Shares**

"That subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals from the relevant governmental and/or regulatory authorities where such approvals shall be necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965, from time to time to issue and allot ordinary shares from the unissued capital of the Company upon such terms and conditions and at such time as may be determined by the Directors of the Company to be in the interest of the Company provided always that the aggregate number of shares to be issued pursuant to this Resolution in any one financial year shall not exceed 10% of the issued capital for the time being of the Company AND THAT the Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 6**

8. **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**

"That, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all applicable laws, regulations and guidelines and the approvals of all relevant authorities, approval be and is hereby given for the Company to purchase such amount of ordinary shares of RM1.00 each in the Company ("shares") as may be determined by the Board of Directors of the Company ("Board") from time to time through the Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that:- **Ordinary Resolution 7**

(a) (a) the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company at any given point in time;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total of the audited retained profits and/or share premium accounts of the Company as at 31 March 2014 of RM29,387,039 and RM4,113,085 respectively.

(c) at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the market of the Bursa Securities, where an appropriate announcement will be made to the relevant authorities once the intentions of the Board is known.

AND THAT such authority from the shareholders would be effective immediately upon the passing of this resolution and would continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such resolution was passed at which time it shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT authority be and is hereby given to the Board to take all such steps as are necessary (including the opening and maintaining of a central depository account(s) under the Securities Industry (Central Depositories) Act 1991) and to enter into all other agreements, arrangements and guarantees with any party or parties to implement, finalize and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, re-valuations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time."

NOTICE OF ANNUAL GENERAL MEETING

9. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"That, subject always to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and its subsidiaries shall be mandated to enter into the category of recurrent transactions of revenue or trading nature with those related parties as set out in Section 2.2 and 2.4 of the Circular dated 18 July 2014 subject further to the following:- **Ordinary Resolution 8**

(i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders of the Company;

(ii) disclosure is made in the annual report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; amongst others based on the type of the recurrent transactions made and the names of the related parties involved in each type of the recurrent transactions made and their relationships with the Company and its subsidiaries and that such approval shall, continue to be in force until:-

(a) the conclusion of the next AGM of the Company following the forthcoming AGM at which such mandate was passed, at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of CA); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

10. **Continuing in Office as Independent Non-Executive Chairman**

"That authority be and is hereby given to Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar who has served as an Independent Non-Executive Chairman of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Chairman of the Company." **Ordinary Resolution 9**

11. **Continuing in Office as Independent Non-Executive Director**

"That subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Dato' Kok Wee Kiat who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." **Ordinary Resolution 10**

12. **Continuing in Office as Independent Non-Executive Director** **Ordinary Resolution 11**

"That subject to the passing of Ordinary Resolution 3, authority be and is hereby given to Y.M. Tengku Yunus Kamaruddin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."

NOTICE OF ANNUAL GENERAL MEETING

13. To transact any other business of which due notice shall have been given.

By Order of the Board

LAM LEE SAN (F) (MAICSA 7048104)
ERICIA TAN YOKE KUAN (F) (MAICSA 7056281)
Secretaries

Bukit Raja, Klang
Date: 18 July 2014

NOTE:

Proxy

1) A member entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2) Save for an Exempt Authorised Nominee as defined under the Central Depositories Act which may appoint multiple proxies in respect of each Omnibus Account it holds with ordinary shares of the Company standing to the credit of the said securities account, a member may appoint not more than two (2) proxies to attend at same meeting. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

3) The instrument appointing a proxy, shall be in writing under the hands of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under seal or the hand of an officer or attorney duly authorised.

4) The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 3, Persiaran Waja, Bukit Raja Industrial Estate, 41050 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Explanatory Notes on Special Business:

Ordinary Resolution 6 – Authority to Issue Shares

If passed, will give a renewed mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 26 August 2013 and which will lapse at the conclusion of the forthcoming Annual General Meeting.

Ordinary Resolution 7 – Proposed Renewal of Authority for the Purchase by the Company of its Own Shares

If passed, will empower the Directors of the Company to purchase on the Bursa Malaysia Securities Berhad up to 10% of the issued and paid up ordinary shares of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

Ordinary Resolution 8 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

If passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of revenue or trading nature which are necessary for its day to day operation. The recurrent related party transactions are in the ordinary course of business and which are on terms not more favourable to the related party than those generally available to the public. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 18 July 2014 with regard to Ordinary Resolution 8.

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolutions 9, 10 and 11 – Continuing in Office as Independent Non-Executive Chairman/Director

Pursuant to the Malaysian Code on Corporate Governance 2012, the Nomination Committee recommends Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar, Dato' Kok Wee Kiat and Y.M. Tengku Yunus Kamaruddin who have served as Independent Non-Executive Chairman/Directors of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Chairman/Directors of the Company based on the following justifications:-

a) They fulfilled the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

b) They provide the Board a diverse set of experience, skill and expertise as they are highly qualified persons who have been contributing in both the public and private sectors;

c) They have in-depth industrial knowledge on the Company's business operations; and

d) They have devoted and can devote sufficient time and attention to their professional obligations for informed and balance decision making.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27 (2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Details of Directors seeking re-election or re-appointment as mentioned in the Notice of Annual General Meeting are set out in their respective profiles which appear in the Directors' Profile on pages 34 to 40 of this annual report. Directors' interests in the securities of the Company are disclosed on page 61 of this annual report.

CORPORATE GOVERNANCE

The Board of Directors ("Board") of Aluminium Company of Malaysia Berhad ("ALCOM") is fully committed to the principles and recommendations of the Malaysian Code of Corporate Governance 2012 ("the Code"). This ensures that the best practices of corporate governance including accountability and transparency is adhered to within the Group for the long term success and sustaining shareholders' value.

The Board and Management's governance is further enhanced and supported by numerous governance initiatives cascaded from its immediate parent company, Novelis Inc., a multinational company with a global presence.

The Board is pleased to report to the shareholders, the Group's application and compliance with the principles and recommendations of the code throughout the financial year ending 31 March 2014, as follows:

1 ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Board's role is to provide stewardship of the Company and direction for management. It is collectively responsible and accountable to the Company's stakeholders for the long term success of the Group. The Board is guided by its Charter, Code of Ethics which outlines the duties and responsibilities of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the Board Committees.

The Board also delegates the authority and responsibility for managing the day-to-day business affairs of the Group to the Managing Director who is responsible for overseeing the business development, implementation of the corporate strategies and business plans, policies and controls.

1.2 Clear Roles and Responsibilities of the Board

The Group is led by an effective Board comprising members of high calibre. The Directors comprise of individuals from varied professional backgrounds with wide range of relevant business and financial experience who contribute independent judgement on issues pertaining to strategy, risks, management performance, compliance and resources affecting the Group.

As part of the Novelis Inc., the composition of the Board is further enhanced with infusion of board members from its parent company. They bring with them extensive knowledge of the industry and related experience and competencies needed to lead the company in line with the chosen strategic path.

The role of the Board is to provide overall strategic guidance, effective oversight on the governance and management of the business affairs of the Company for the benefit of the stakeholders. Responsibilities of the Board includes:-

CORPORATE GOVERNANCE

- Reviewing, adopting and monitoring the Company's major strategies, financial performance in respect of objectives and plans set;
- Decision making regarding matters of sensitive, extraordinary or strategic nature;
- Monitoring capital management and major expenditure;
- Ensuring established compliance controls and procedures in place to promote best practice in corporate governance;
- Monitoring the performance and competency of senior management and its implementation of strategy and budgets;
- Reporting to Shareholders
- Evaluations of Board processes and performance;
- Declaring dividends payment;
- Reviewing the adequacy and the integrity of the management information, including risk management framework and internal control systems of the company for compliance with applicable laws, regulations, rules, directives and guidelines;
- Reviewing and approving annual statutory accounts and monitoring quarterly financial results, press releases and authorize the same for release to the public via Bursa Securities and other authorities.

The Board also reviews issues and matters that have significant impact on the Group's operations.

In discharging its fiduciary duties, Board Committees are formed to assist in the effective functioning of the Board. The Board delegate specific responsibilities to three (3) Committees, namely:-

1. the Nomination Committee,
2. the Audit Committee, and
3. the Remuneration Committee.

The board committees are guided and operate within clearly defined terms of reference. All these Committees are mainly lead by Independent Non-Executive Directors of the Board. Management and third parties are invited to attend or are co-opted to such committees as and when required.

In addition, special committee like ESOS Committee is formed for specific purposes as and when required. Reports of proceedings and outcome of the various committee meetings are submitted to the Board.

1.3 Ethical Standard through Code of Conduct

The Board of Directors is guided by the Code of Ethics established by the Companies Commission of Malaysia for Company Directors. The Code of Ethics sets out the principles in relation to sincerity, integrity, responsibility and corporate social responsibility. The Code is formulated to enhance the standard of corporate governance and corporate behavior of directors based on trustworthiness and values that can be accepted, and to uphold the spirit of responsibility and social responsibility in line with legislation, regulations and guidelines for administering the company.

The Group has also in place the Code of Conduct which is cascaded down from its parent company, Novelis, a world-class company with high ethical standards and trustworthy employees. The Code of Conduct, which outlines the expectations of its employees in the execution of their duties in an ethical manner. In order to maintain the company's reputation, the Board ensures that all are aware, understand and adhere to the tenets of the Code. To achieve this purpose, a mandatory training module that outlines what the Code of Conduct means and its expectation of the employees has been developed. A summary of the code of conduct made available in the Company's website.

The employees understanding of and adherence to the Code will help ensure that ALCOM remains a highly regarded organization that is admired by customers, employees, shareholders, suppliers and communities worldwide.

The Code also offers employees the option of using the Ethics Hotline listed for the respective countries for employees to clarify matters about the code and also to report concerns or suspected violations.

In addition to the Code of Conduct, the Group Senior Financial Officers are also guided by the Code of Ethics who must be committed to financial integrity and to full and accurate financial disclosure in compliance with applicable accounting policies, laws and regulations. This Code of Ethics sets out specific principles to guide the Company's senior financial officers, including the executive directors, the chief financial officer, in the performance of their duties with quarterly and annual representation that they have carried out their responsibilities in accordance with this Code.

1.4 Strategies Promoting Sustainability

In line with its parent sustainable strategies, the Board is committed to sustainable operations. Striving to become truly a sustainable enterprise also means an unwavering focus on what the Board see as the foundations of being a sustainable company, through the various initiatives that deals with, namely;

- strategy for sustainability; operating ethically and responsibly to meet the expectation of our stakeholders – shareholders, customers, employees, regulators, consumers and non-governmental organizations.
- being stewards of the environment; by helping to reduce carbon footprint and energy use. Our concerns for environmental issues extend beyond our facilities to those of our stakeholders.
- protecting the health and safety of our people; as a manufacturing firm, our primary concern is for the health and safety of our employees. The Group also looks into developing the people to sustain the skills and expertise needed.
- contribution to the communities where we operate; Novelis is a global company with a local presence. An essential hallmark of the group is the commitment to give back to the community. So the Group has began community engagement programs near our facility and contribute positively to the communities in which we operate.

1.5 Access to Information and Advice

Prior to board meetings, all Directors receive the structured agenda and the full set of Board papers containing information relevant to the business on a timely manner prior to the scheduled Board/ Board Committees meeting. Reports include key results areas; operational profitability and performance review statements, human resource developments, environment, occupational health and safety, business plans, successions, strategies, as well as proposed announcements and releases comprising quarterly and year-end financial results to the Bursa Malaysia Securities Berhad ("BMSB").

The Board papers are issued to each Director at least five (5) working days in advance. This is to accord sufficient time for the Directors to peruse through the Board papers to enable them to effectively discharge their duties and responsibilities. Management reports presented to the Board include the following information:-

- Business and financial performance of the Group.
- Productivity and product quality measures.
- Commercial and Customer Service Activities.
- Market development and Consumer Trend.
- Development on human resources.
- Environmental and industry issues.
- Legal & Regulatory update.
- Information Systems update.

The Board has unrestricted access to and interaction with the Senior Management on issues under their respective purview. Where necessary, Senior Management will be invited to attend Board/Board Committee meetings to report and update on areas of business within their responsibility so as to provide Board members an insight to the business and to clarify issues raised by Board members in relation to the Group's operations. Board members are encouraged to share their views and insight in the course of deliberations and discussions.

1.6 Access to Independent and Professional Advice

To discharge their duties effectively, all Board members also have direct access to the advice and services of the company secretary, who is responsible for ensuring that the Board meeting procedures, applicable rules and statutory regulations are adhered to. The Company Secretary, who is qualified, experienced and competent, will also advice the Board on any new statutory requirements, guidelines and listing rulings relating to Corporate Governance as and when it arises.

When deemed necessary, Board members whether as a full Board or in their individual capacity may seek independent professional advice on specific issues at the Group's expense, to enable them to discharge their duties.

CORPORATE GOVERNANCE

1.7 Board Charter

The Board had adopted a charter, which outlines the composition of the Board together with the roles and responsibilities of the Board, the Chairman, the Managing Director, the Directors, the Senior Management, the Company Secretary, including Board's unrestricted access to information and independent professional advice.

The Charter will be subjected to periodical review cum updates by the Board whenever deemed necessary. The Board Charter is made available for reference in the Company's website at www.alcom.com.my

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee

The Nomination Committee is charged with the responsibility of overseeing the selection and assessment of directors. Accordingly, the chair of the Nominating Committee is headed by the Senior Independent Director.

Members of the Nomination Committee comprises of two (2) Independent Non-Executive Directors and one Non-Independent Non-Executive Director. At the end of FYE2014, members of the Nomination Committee were as follows:-

Y.A.M. Tunku Tan Sri Imran
ibni Almarhum Tuanku Ja'afar, (Chairman)
Dato' Kok Wee Kiat,
Mr. Shashi Kant Maudgal.

The Nomination Committee is empowered by the Board to deliberate and to present recommendations to the Board on appointments of new Directors. Duties and responsibilities of the Nominating Committee are guided by its terms of reference as approved by the Board, as follows:-

a) To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board.

b) To review annually and recommend to the Board with regards to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently.

c) To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:-

   i) size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group; and
   ii) Best Practices of the Malaysia Code on Corporate Governance Part 2 AIII which stipulates that non-executive directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on issues considered the Board and that independent non-executive directors should make up at least one-third of the membership of the Board.

d) To recommend to the Board:

   i) directors to be members of the Board Committee;
   ii) whether directors who are retiring by rotation should be put forward for re-election;
   iii) whether directors who have exceeded a cumulative of 9 years tenure should be put forward for re-appointment; and
   iv) termination of membership of individual directors in accordance with policy, for cause or other appropriate reasons.

e) To ensure and appropriate framework and plan for Board succession for the Group;

f) To facilitate Board induction and training for newly appointed directors.

g) To review training programs for the Board.

h) To facilitate achievement of Board gender diversity policies and targets.

i) To develop the criteria to access independence of the directors or relationship develops and evaluate/access its independent directors annually.

j) To consider other matters as referred to the Committee by the Board.

The company secretary who is also the secretary to the Nomination Committee ensures that all the necessary information is obtained, and all legal and regulatory obligations are met.

During the financial year ended 31 March 2014, the Nomination Committees met once i.e on 20 May 2013.

Details on attendance of the members of the Nomination Committee were as follows:-

Name of Nomination Committee Member	No. of meeting attended while in office
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	1/1
Dato' Kok Wee Kiat	1/1
Mr. Shashi Kant Maudgal	1/1

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

a) Appointments and Re-elections to the Board

The Nomination Committee is empowered to identify and recommend to the Board of candidates for new appointments to the Board. In this process, the Nomination Committee shall take into cognizant, the following criteria:-

i) Size, composition, mix of skills, experience, competencies and other qualities of the existing Board members, level of commitment, resources and time that the recommended candidate can contribute to the Board and Group,

ii) The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence as defined in the Listing Requirements - for the purpose to bring about independence and objectivity in judgement on issues considered and thence, the ability to discharge responsibilities as expected from an Independent Non-Executive Director.

iii) The candidate's understanding of the Group business; production and marketing activities; and factors that promote boardroom diversity, including gender diversity and other qualities of the Board.

The Company's Articles of Association provide that at every annual general meeting of the Company, one third of the Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election at the Annual General Meeting ("AGM"). A Director seeking re-election or re-appointment shall abstain from all deliberations regarding the re-election or re-appointment to the Board.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every annual general meeting and may offer themselves for re-appointment to hold office until the next annual general meeting.

b) Gender Diversity Policy

The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

Female representation will be considered when vacancies arise and suitable candidates identified, underpinned by the overriding

CORPORATE GOVERNANCE

primary aim of selecting the best candidate to support the achievement of the Company's objectives.

c) **Annual Assessment**

The Nomination Committee meets at least once a year and during the meeting which was held on 20 May 2013, the Nominating Committee conducted the Board Performance Evaluation via questionnaires which covers Board and Board Committees effectiveness assessment together with Directors' self and peer assessment. The Nomination Committee assessed the effectiveness of the Board and Board Committees in terms of composition, conduct, accountability, and responsibility of the Board and Board Committees in terms of reference. The Directors self and peer assessment was conducted to evaluate the mix of skills, experience and the individual's Director's ability to contribute and exercise independent judgement towards the effective functioning of the Board. The Nomination Committee also evaluates the independence of the Independent Directors based on the criteria of "Independence" as prescribed in the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The Nomination Committee, pursuant to the annual review that was carried out, was satisfied that the size of the Board is optimum, well-balanced with the appropriate mix of skills and experience in the composition of the Board and its Committees.

2.3 Directors' Remuneration

The Board has established a Remuneration Committee ("RC") comprises entirely of Non-Executive Directors. Members of the Remuneration Committee as at end of FYE2014, comprises of the following board members:-

Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar, (Chairman)
Dato' Kok Wee Kiat
Mr. Shashi Kant Maudgal

During the financial year ended 31 March 2014, the Committee met once: on 20 February 2014.

Details on attendance of the members of the Remuneration Committee were as follows:-

Name of Remuneration Committee Member No. of meetings attended while in office	No. of meeting attended while in office
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	1/1
Dato' Kok Wee Kiat	1/1
Mr. Shashi Kant Maudgal	1/1

Independent Non-Executive Directors

As recommended by the Code, ALCOM ensures that the Directors' remuneration is attractive enough to retain Directors of the calibre necessary to contribute to the Group successfully. The remuneration package for Independent Non-Executive Directors must commensurate appropriately with the given level of responsibility of its Directors whilst taking into consideration the sensitivity to the interests of other stakeholders, including shareholders and employees. A proposal was tabled to increase the current fees of Independent Non-Executive Director to be comparable with listed companies; to be presented in the forth-coming Annual General Meeting for shareholders' approval. However, the proposal has been deferred unanimously by all the three Independent Non-Executive Directors due to the net loss incurred in the fiscal year.

Executive Directors and Senior Management

As the Company is majority owned by the global Novelis Inc., the remuneration of the Executive Director is based on Novelis' own Global Remuneration Policy which is benchmarked with global standards. The component parts of the global remuneration policy have been structured to link with competitive compensation and remuneration package, comprising annual increment; annual incentives plan pegged to corporate and individual performance; for Executive Directors, Senior Management staff and employees of the ALCOM Group.

CORPORATE GOVERNANCE

Non-Independent Non-Executive Directors

No remuneration is paid to Non-Independent Non-Executive Directors appointed to the Board.

Details of Directors' Remuneration

Remuneration paid or payable or otherwise made available to all the Directors of the Company and Group who have served during the financial year ended 31 March 2014 are as follows:

Category	Fees (RM'000)	Salaries (RM'000)	Retirement gratuity (RM'000)	Other emoluments** (RM'000)	Benefits-in-kind* (RM'000)	Total Remuneration (RM'000)
Executive	-	734	-	-	584	1,318
Non-executive	136	-	-	-	-	136

* *Benefits-in-kind include motor vehicle, club memberships, etc.*
** *Other emoluments include bonuses, retirement benefits and performance awards.*

The number of Directors of the Company and Group who served during the financial year and whose income from the Group falls within the following bands were as follows:-

Range of Remuneration	Number of Directors
Non-executive Directors	
RM0 to RM50,000	2
RM50,001 to RM100,000	1
Executive Directors	
RM100,001 to RM200,000	-
RM200,001 to RM300,000	-
RM300,001 to RM400,000	1
RM400,001 to RM500,000	-
RM500,001 to RM600,000	-
RM600,001 to RM700,000	-
RM700,001 to RM800,000	-
RM800,001 to RM900,000	-
RM900,001 to RM1,000,000	1

The remuneration package for the Executive and Non-Executive Directors include some or all of the following elements:-

Basic Salary

The basic salary for the Executive Directors takes into account the performance of the individual as well as the prevailing market salary rate for similar jobs in a selected group of comparable companies.

Fees

The Board proposes the fees payable to Non-Executive Directors after considering comparable organisations and the level of responsibilities undertaken by the Director; and proposed fees payable is subject to shareholder's approval at the annual general meeting of the company. Attendance allowances for Board meetings and Board Committees meetings were paid to Non-Executive Directors.

Bonus Scheme

The Group operates a bonus scheme for all employees including Executive Directors. The performances of the Group along with an assessment of the individual's performance form the criteria for the scheme; which is also link to the Novelis Corporate Global Remuneration Policy.

Benefits-in-Kind

Company's cars, petrol expenses, driver, hand-phone, club memberships and medical reimbursement were made available as benefits-in-kind to the Executive Directors as appropriate.

CORPORATE GOVERNANCE

3 REINFORCE INDEPENDENCE

3.1 Assessment on Independence of Director

The Independent Non-Executive Director should be persons of calibre and integrity, who collectively provide skills and competencies to ensure the effectiveness of the Board. The criteria for independence set out in the Listing Rules of Bursa Malaysia Securities Berhad ("BMSB") also form the basis for evaluation of independence of non-executive director Independence broadly encapsulates independence from management and the absence of conflict of interest which could interfere with the Independent Director's judgement and ability to contribute to the Board's deliberations, or which could interfere with the Director's ability to act in the best interest of the company.

The Board, through the Nominating Committee conducted an assessment on the independence of the Independent Directors of the Board, including new appointments; using the peer evaluation questionnaire for assessing the performance of the Independent Directors. Both the Board and the Nomination Committee have determined from the annual assessment carried out that all the three Independent Non-Executive Directors who had served on the Board remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar, who is both the Chairman of the Board as well as the Nomination and the Remuneration Committee is designated the Senior Independent Non-Executive Director, who can be contacted at the email address: alcom.Ined@novelis.com

3.2 Tenure of Independent Directors

The Company does not have term limits for Independent Directors but the Board does evaluate the contribution and the tenure of the Independent Directors. The Board believes that valuable contribution can be obtained from Directors who have, over a period of time, developed valuable insight of the Company and its business. Their experience enables them to discharge their duties and responsibilities independently and effectively in the decision making process of the Board notwithstanding their tenure on the Board.

Executive and Non-Executive Directors of the Board opined that imposing a fixed terms limit of 9 years for Independent Directors does not necessary promote independence and objectivity. On the contrary, the Non-Executive Directors have been providing continuity with the changes of Managing Directors during their tenure on the Board.

3.3 Shareholders' Approval for Re-Appointment of Independent Directors

In line with the 2012 Code the tenure of an Independent Non-Executive Director should not exceed a cumulative term of 9 years. An Independent Non-Executive Director may continue to serve on the Board subject to re-designation of the Independent Non-Executive Director to Non-Independent Non-Executive Director. In the event the Board intends to retain the Independent Non-Executive Director as an Independent Director after service a cumulative terms of nine (9) years, shareholder's approval will be sought during the Annual General Meeting.

The Board and Nomination Committee had recommended all the three Independent Non-Executive Directors who have served for more than 9 years on Board to continue and be re-appointed as Independent Non-Executive Directors of ALCOM at the coming Annual General Meeting.

The Nomination Committee and the Board have assessed, reviewed and determined that all the three Independent Non-Executive Directors, namely, Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar, Dato Kok Wee Kiat, Y.M. Tengku Yunus Kamaruddin have been conscientiously independent in carrying out their roles as Members of the Board and Board Committees, notably in fulfilling their roles as Chairman of the Board and Nomination Committee (in the case of Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar) and Audit Committee (as in the case of Dato' Kok Wee Kiat).

Accordingly, the Company would be seeking shareholders' approval at the coming Annual General Meeting to recommends Y.A.M. Tunku

Tan Sri Imran Ibni Almarhum Tuanku Ja'afar, Dato' Kok Wee Kiat and Y.M. Tengku Yunus Kamaruddin who have served as Independent Non-Executive Directors of the Board for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Directors based on the following justifications:-

a) they have fulfilled the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

b) they provide the Board a diverse set of experience, skill and expertise as they are highly qualified persons who have been contributing in both the public and private sectors;

c) they have in-depth industrial knowledge on the Company's business operations, and

d) they have devoted and can devote sufficient time and attention to their professional obligations for informed and balance decision making.

3.4 Separation of positions of the Chairman and Managing Director

There is a clear and distinct division of responsibilities between the Chairman and the Managing Director to ensure that there is an appropriate balance of power and role, responsibility and accountability at Board level.

The Chairman is responsible for the smooth running of the Board and encourages active participation by Board members and provides reasonable time for discussion of issues raised at meetings. Decisions reached at meeting reflect the consensus of the whole Board and not the views of any individual or group.

The Managing Director is primarily responsible for the day-to-day operations of the Group, which includes implementation of policies, and strategies adopted by the Board. The Managing Director is responsible for communicating matters relating to the Group's business to the Board. The Managing Director's knowledge of the Group's business and affairs contributes significantly towards the attainment of the Group's goals and objectives.

3.5 Composition of the Board

ALCOM's Board as at end of the financial year had seven (7) members comprising one Independent Non-Executive Chairman, two Independent Non-Executive Directors, three Non-Independent Non-Executive Directors and one Executive Managing Director. The Chairman has never held any prior executive positions in the Group. The Directors bring to the Board a wide range of skills and experience in fields such as commerce, law, finance as well as knowledge of the aluminium business.

The Code stipulates that at least one-third of its Board members must be made up of Independent Non-Executive Directors. ALCOM's Board balance is achieved with the presence of three (3) Independent Non-Executive Directors. Collectively, they ensure that plans and strategies proposed by the management are fully discussed and examined, taking into account the long-term interests of all shareholders and stakeholders of the Group (employees, customers, suppliers, and the local community in which the Group conducts business).

4 FOSTER COMMITMENT

4.1 Time Commitments

The Board which meets on scheduled basis at least four (4) times a year on quarterly basis, with additional meetings convened when necessary to consider urgent proposals or matters that require the Board's attention. The Managing Director and Chief Financial Officer who attend the meetings present reports on Group performance comprehensive enough to enable the Board members to discharge their responsibilities.

CORPORATE GOVERNANCE

During the financial year ended 31 March 2014, four (4) Board meetings were held and details of the Board meetings and attendance of the Directors were as follows:-

Date of Meeting	Time	Place
20 May 2013	01:15 p.m.	ALCOM, Bukit Raja, Klang
26 August 2013	10:05 a.m.	Hotel Armada, Petaling Jaya
13 November 2013	11:05 a.m.	ALCOM, Bukit Raja, Klang
20 February 2014	10:51 a.m.	ALCOM, Bukit Raja, Klang

Details on attendance of the directors at meetings held during the financial year ended 31 March 2014 were as follows:

Name of Director	Date of Appointment	No of Meetings Attended *	Percentage of Attendance (%)
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	27 July 1987	4/4	100
Dato' Kok Wee Kiat	01 January 1996	4/4	100
Y.M. Tengku Yunus Kamaruddin	27 December 2001	3/4	75
Mr. Thomas Felix Boney #	01 June 2012	1/1	100
Mr. Vishal Rao ##	01 June 2013	3/3	100
Mr. Shashi Kant Maudgal	01 June 2012	3/4	75
Mr. Paul Allen Stadnikia	01 June 2012	4/4	100
Mr. Emilio Stefano Lorenzo Braghi ###	27 June 2013	2/3	67

Note:
* *Number of meetings attended/number of meetings held while in office*
\# *Resigned on 01 June 2013*
\## *Appointed on 01 June 2013*
\### *Appointed on 27 June 2013*

4.2 Directors Training and Induction

All newly appointed Directors have successfully completed the Mandatory Accreditation Program ("MAP") conducted by the Bursatra Sdn Bhd; an affiliate company of the Bursa Malaysia. During the financial year under review, the Directors have attended appropriate training program conducted by external to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of latest developments in the marketplace.

The Directors have during the financial year ended 31 March 2014, attended the following training programs:-

Training Programme Attended by the Directors (1 April 2013 to 31 March 2014)

Name of Directors	Particulars of Training Attended and Date
Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tunku Ja'afar	1. Advocacy Session on Corporate Disclosure for Directors by Bursa Malaysia (21 August 2013) 2. Governance In Action – What Every Director Should Know by Bursatra Sdn. Bhd at Seri Pacific Hotel, Kuala Lumpur. (20 December 2013)

Training Programme Attended by the Directors (1 April 2013 to 31 March 2014) (cont'd)

Dato' Kok Wee Kiat	1. Advocacy Session on Corporate Disclosure for Directors by Bursa Malaysia (21 May 2013)
Y.M. Tengku Yunus Kamaruddin	1. Corporate Governance by PWC (24 April 2013) 2. Advocacy Session on Corporate Disclosure for Directors by Bursa Malaysia (21 May 2013) 3. Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers – implications to Boards and Management and key changes to the Listing Requirements of Bursa Malaysia issued on 29 November 2012, at Tanjong Puteri Gold Resort, Pasir Gudang , Johor (27 June 2013) 4. Improving Assurance in Governance, Risk & Control (30 October 2013)
Mr. Vishal Rao	1. Mandatory Accreditation Programme for Directors of Public Listed Companies by Bursatra Sdn. Bhd., at Seri Pacific Hotel, Kuala Lumpur (August 14-15, 2013) 2. Novelis Global Leadership Summit by Novelis Inc., at Orlando, Florida (September 11-13, 2013)
Mr. Shashi Kant Maudgal	1. Novelis Global Leadership Summit by Novelis Inc., at Orlando, Florida (September 11-13, 2013) 2. Creating an Innovative work culture by Andy Stevanovich. (June and August 2013)
Mr. Paul Allen Stadnikia	1. Novelis Global Leadership Program by Novelis Inc., at Orlando, Florida (10 September 2013) 2. Novelis Global Leadership Summit by Novelis Inc., at Orlando, Florida (September 11-13, 2013)
Mr. Emilio Stefano Lorenzo Braghi	1. Mandatory Accreditation Programme for Directors of Public Listed Companies by Bursatra Sdn. Bhd., at Hilton, Petaling Jaya (October 02-03, 2013) 2. Novelis Global Leadership Program by Novelis Inc., at Orlando, Florida (10 September 2013) 3. Novelis Global Leadership Summit by Novelis Inc., at Orlando, Florida (September 11-13, 2013)

5 UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Report Standards

The Board is committed to present a balanced and meaningful assessment of the Group's financial position and prospects in the public disclosure of its financial results. These results are present through the quarterly financial results, audited financial statement and Annual Report. The Board, assisted by the Audit Committee, oversees the financial reporting of the Group. The Audit Committee reviews the Group's annual and quarterly financial statement and appropriateness of the Group's accounting policies and changes to these policies, as and when it come into force, to ensure that the Group's financial reporting comply with accounting standards and regulatory requirements.

Statement of Directors' Responsibility for Preparation of the Financial Statements

As required by the Companies Act, 1965, the Directors have taken care to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of income statement and cash-flows for the period then ended. In the preparation of the financial statements for the financial year ended 31 March 2014, the Directors have:

- Adopted suitable accounting policies and applied them consistently.
- Made judgements and estimates on reasonable basis.
- Ensured that applicable accounting standards have been adhered to.
- Ensured that the financial statements are prepared as an on-going concern basis.

The Directors ensure that proper accounting records are kept to disclose with reasonable accuracy at any time the financial position of the Company and Group. They are generally responsible to take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

5.2 Suitability and Independence of External Auditors

The Board through the Audit Committee maintains a transparent and professional relationship with the Group's external auditors. The Audit Committee meets with the external auditor at least twice a year to discuss their audit plan and audit findings in relation to the Group's financial results. The Audit Committee has had a private session with the External Auditors without the presence of Executive Director and Management to discuss the audit findings and any other observations they may have during the audit process. An assurance is provided by the External Auditors via their report to the Audit Committee, confirming their independence through the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirement.

In addition, the External Auditors are invited to the Annual General Meeting of the Company and are available to answer shareholders' queries on the conduct of the statutory audit. In addition, the External Auditors are also invited to attend the Internal audit exit meeting to receive the internal audit report.

The Audit Committee of the Board comprises three (3) Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The composition of the Audit Committee is in compliance with the Listing Requirements and the Code which require all the Audit Committee members to be Non-Executive Directors with a majority of them being Independent Directors. Further details as well as a report of the Audit Committee's activities for the financial year ending 31 March 2014 can be found on pages 26 and 29.

6 RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

6.1 Sound Risk Management Framework

The Board is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control system. ALCOM Group has in place an on-going risk management process of identifying, evaluating, monitoring and managing the principal risks that the Group faced as it seeks to meet its business objectives. This process is embedded as well as entrenched into the Group's management systems, culture, people, strategy, policies, structures, processes and procedures over its five decades of operations. ALCOM Group as part of Novelis Inc., has conformed to the Novelis requirement and implemented the numerous internal controls systems to mitigate possible operational risks arising.

6.2 Internal Audit Function

The Group's internal audit function is performed by the internal audit team from its holding company. The internal audit team conducts a robust annual risk assessment which then determines the scope of focus for the internal audit in accordance with the risk based matrix. The scope of the internal audit is presented to the Audit Committee for review and approval. The field audit is subsequently conducted onsite and audit findings together with recommendations on risk gaps closure, if any, are reported by the internal auditors directly to the ALCOM Audit Committee as well as to the head of Internal Audit and President's office at the parent company level. The internal auditors also ensure that any recommended actions plans to improve controls are followed through with the Management until they are resolved and closed.

The key feature of the Risk Management Framework are set out in the Directors' Statement on Risk Management and Internal Controls as presented on pages 23 to 25 of this Annual Report.

7 ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. The Company is guided by the Corporate Disclosure Guide issued by the Bursa Securities and the Board adheres strictly to the disclosure framework to provide investors and the public with accurate and complete information on a timely basis. The Board ensures that confidential information is handled properly by authorized personnel to avoid leakage and improper use of such information.

While the Board endeavour to keep all its shareholders as much informed as possible, the Group as mentioned earlier, has always abided by the legal and regulatory framework governing the release of materials and price-sensitive information.

7.2 Leverage on Information Technology for Effective Dissemination of Information

As stated above, the company is also committed in providing accurate and complete information on a timely basis. Such information is disseminated through various disclosures and announcements made to the Bursa Malaysia Securities Berhad through the quarterly financial results, audited financial statements and Annual Reports.

The Company's website at www.alcom.com.my which is accessible by the general public also facilitates effective dissemination of latest and up-to-date information to the investors and general public.

8 STRENGHTEN RELATIONSHIP WITH SHAREHOLDERS

8.1 Shareholder participation at General Meeting

The Board regards the Annual General Meeting ("AGM") and other general meetings as an opportunity to communicate directly with shareholders and stakeholders; and encourages attendance and participation in dialogue.

The Board reports on the progress and performance of the Group to shareholders at each AGM. At such meetings, shareholders have the opportunity to raise questions to the Directors present at the meeting. Notice of the AGM and related papers thereto are sent to the shareholders at least 21 days before the meeting to facilitate easy review by the shareholders.

Each shareholder can vote in person or by appointing proxy to attend and vote on his behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried systematically and motions carried through are properly recorded.

8.2 Encouraging Poll Voting

In respect to the Recommendation 8.2 of the 2012 Code, the Board has poll voting facilitators and verifiers on standby to facilitate poll voting in the event such is demanded by shareholders present. However, in respect of the last annual general meeting held, majority of the shareholders had opted for voting by a show of hands instead of proceeding with poll voting, which could be a time consuming process. The Board would consider the feasibility of carrying out electronic polling at its AGM in future.

CORPORATE GOVERNANCE

8.3 Effective Communication and Proactive Engagement

The Company recognises the importance of communication with its shareholders. The Managing Director and the Chief Financial Officer hold discussions with the press, analysts and shareholders on request. During such discussions, the Group's performance, strategic plans for the future and other major developments are explained.

It is also customary for Board to hold a press conference immediately after the AGM to brief the media on key Company highlights.

However, any information that may be regarded as sensitive and material information about the Group is only to be released publicly; communicated to all its stakeholders simultaneously, usually through a press release or regulatory filing like the release of financial results to the Bursa Malaysia Securities Berhad on quarterly, annual and adhoc basis; after prior review and approval by the Board.

The Company's website at www.alcom.com.my also provides easy access to the investors and general public on up-to-date corporate announcements, quarterly financial results, annual reports and where appropriate, circulars and press releases and other information pertaining to the Group.

Whilst the Group has a large corporate shareholder, the interests of minority shareholders are fairly represented by its Independent Non-Executive Directors.

Shareholder and other interested parties may communicate or direct its concerns - either, to the attention of Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar, who is both the Chairman of the Board as well as the designated Senior Independent Non-Executive Director at email address: alcom.Ined@novelis.com or, to the attention of Dato' Kok Wee Kiat, who is the Chairman of the Audit Committee and also an Independent Non-Executive Director at email address: kokweekiat@gmail.com

Annual General Meeting ("AGM")

In respect of items on special business, the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution.

COMPLIANCE WITH THE CODE

The Board has taken necessary steps throughout the financial year to comply with the Best Practices of good corporate governance as set out in the Malaysian Code on Corporate Governance (2012). The Group will continue to review its governance principles and recommendations in its pursuit of achieving the highest level of transparency, accountability and integrity.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR FINANCIAL YEAR ENDED 31 MARCH 2014

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 ("MCCG 2012") requires a Public Listed Company to conduct itself in compliance with laws and ethical values, and maintain an effective governance structure to ensure appropriate management of risks and internal controls.

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of Listed issuers is required to include in its annual report, a statement of the Group's risk management and internal control.

ALCOM's Board of Directors ("the Board') recognizes its responsibilities for and the importance of a sound system of risk management and internal controls to safeguard shareholders' investments, stakeholders' interest and Group's assets.

Set out below is the Board's Statement on Risk Management and Internal Control, which outlines the nature and scope on risk management and internal control of the Group, prepared in accordance to the guidelines provided.

RESPONSIBILITIES OF THE BOARD

The Board acknowledges its overall responsibility for the Group's system of risk management and internal control which includes the establishment of an appropriate control environment and framework as well as, an on-going process for reviewing the adequacy and integrity of the design of those systems to cover not only financial controls but also controls relating to operations, risk management, compliance with statutory rules and regulatory guidelines to sustain ethical values and to promote effective governance structure in place.

ALCOM Group's system of risk management, internal controls, financial or otherwise, is structured to provide reasonable assurance regarding the achievement of following:-

- Effectiveness and efficiency of operations including the safeguarding of shareholders' investments as well as the Group's assets.
- Regular reviews and updates on risk management and internal controls system.
- Reliability and timeliness of financial reporting.
- Compliance with applicable laws and regulations.
- Environment to promote integrity, good ethics and conducts.

The Board however, recognizes that the risk management and internal control system, no matter how well conceived and operated, can only manage, rather than eliminate the risk of business failures. The systems in place can provide only reasonable and not absolute assurance against material misstatements or loss.

RISK MANAGEMENT FRAMEWORK

ALCOM Group has in place an on-going risk management process of identifying, evaluating, monitoring and managing the principal risks that the Group faced as it seeks to meet its business objectives. This process is embedded as well as entrenched into the Group's management systems, culture, people, strategy, policies, structures, processes and procedures over its years of operations. This process broadly forms the framework for determining how the Groups' exposure to risks should be managed. ALCOM Group as part of Novelis Inc., has conformed to the Novelis Corporate requirement and implemented the numerous internal

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR FINANCIAL YEAR ENDED 31 MARCH 2014

controls systems in place. In addition, a global matrix organization structure is being practiced, wherein an individual has dual reporting responsibility through direct reporting to a local country head and indirect reporting to a regional/functional head, and this helps to reinforce the risk management framework in place to concur with endorsements through the global sub-delegations structure being practiced.

Performance measurements like Key Results Areas ("KRA") which are based on the score cards driven by Novelis Corporate through ALCOM Group are used to track and measure performances of all aspects of the operations, including staff performance. Risk appetite are pre-determined and capped at the level indicated in the electronic Requisition for Approval ("e-RFA") system supported by both the Delegation of Authority ("DOA") and Contract Management System ("CMS") where all requisition and contracts are subjected to prior reviews and approval before execution and such contracts information are deposited into a central database depository for future reference and knowledge sharing.

All these elements of risk management principles, policies, procedures and practices are periodically reviewed, with results communicated to the Board through the various sub-committees, namely the Audit, Nomination, Remuneration, ESOS Committee to ensure their continuing relevance and compliance with current or applicable laws and regulations. The communication between the Board and the sub-committees will also be communicated with the related committees in Novelis Inc.

As the economic, industrial, regulatory and operating conditions continue to change, the mechanisms needed to identify and deal with the changing risks also need to be of a dynamic nature. Accordingly risk management at ALCOM is a pro-active process which seeks to meet the challenges arising from such changes.

INTERNAL AUDIT

Regular audits by Internal Audit are an integral and important part of the governance process. The Internal Audit Department of the parent company carries out the internal audit function for the Group. The internal audit focus is on risks at the external/environmental, strategic, operational and transactional levels. Equal attention is paid to emerging risks – what the Group will be concerned about tomorrow. Actual audits are varied on a cyclical basis with more attention being paid to the areas perceived to have more risk. The internal audit reviews of the existing systems of controls provides the Board with much of the assurance it requires regarding the adequacy and the effectiveness of the risk management processes which Management has in place to identify, manage and in controlling the proper conduct of business within the Group. It also provides useful advice on control assurance activities as well as opportunities for improvements to enhance the existing control system as well as identify possible solutions to eliminate shortcomings or deficiencies identified.

The Audit Committee ("AC") reviews and approves the scope of the internal audit to be carried out. The results of audit findings and the recommendations for improvement are also reported back to the AC as well as to the Board. ALCOM's Management is responsible for ensuring that corrective actions, if any recommended, be implemented within a defined time frame. Based on the internal audit reviews carried out, none of the weaknesses noted by the internal audit have resulted in any material losses, contingency or uncertainties that would require disclosure in the Annual Report.

KEY ELEMENTS OF THE INTERNAL CONTROL ENVIRONMENT

The current system of internal control and risk management of the Group include the following key elements:

- An effective Board with Committees chaired mainly by Independent Non-Executive Directors to oversee, monitor and review the Group and Management's performance.
- An organization structure with clearly defined roles and responsibilities to achieve the Group's objectives.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
FOR FINANCIAL YEAR ENDED 31 MARCH 2014

- Setting annual plans that are in line with the strategic direction as set out in the strategic plans.
- Development of action plans for the different Key Result Areas ("KRA") to drive the achievement of the various initiatives in line with the annual plans.
- Cascading the KRAs to all key leaders of different departments across the Group; synchronizing with annual plans.
- Weekly and monthly meetings for the review and resolution of matters arising as well as to measure and monitor performance achievements.
- Performance appraisal system, which is linked to key results areas that is not only measurable but also brings about improvement in a defined criterion.
- Structured training program for employees to maintain high safety and competency levels.
- Clearly defined Terms of Reference (TOR) and delegation of responsibilities to committees of the Board and business operating units, including proper authorization for all aspects cum levels of the business within the Group.
- Regular Board Meetings to review business operations, to approve significant transactions as well as to approve releases of quarterly and annual financial results.
- Documentation of internal policies and procedures as set out in standard operating policies and procedures manuals. These manuals including credit, quality, safety, health, environment and insurance are the subject of regular annual reviews and improvement audits which help identify gaps arising as well as ensuring updates and compliance with regulatory requirements and standards.
- Plant visits by members of the Board on a regular basis.
- The Group has also in place a whistle blowing procedure which forms part of the Group's Code of Conduct. This provides an avenue for employees to report/complain any wrongdoing by any persons in the Group, or any breach or suspected breach of any law or standards in a safe and confidential manner.

CONTROL ASSURANCE OVER FINANCIAL REPORTING

The Group management continues with its annual practice of making quarterly representation as well as certification of the reviews it carried out to its parent company and to the Board. This representation serves as a commitment of management assurance on the control system in place for financial reporting accuracy as required.

CONCLUSION

The Board considers that risk management and internal control system of the Group is sound, adequate and effective to achieve the objectives of safeguarding shareholders' investment, interest of the customers, regulators, employees and other stakeholders.

The adequacy and effectiveness of the Group's risk management, internal control and governance process were reviewed and monitored by the Audit Committee who receives regular reports from the internal auditor wherein remedial actions were adopted to address weaknesses, if any, identified in these reports and follow-up actions carried out to ensure closure of gaps.

The Board also receives quarterly assurance from both the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Group via the management representation letter which both signs off for the Board.

Based on the foregoing, the Board is also satisfied that during the financial year under review, there were no significant breakdowns or weaknesses in the system of risk management and internal control system of the ALCOM Group that would have resulted in material losses.

REPORT OF THE AUDIT COMMITTEE

The primary objective of the Audit Committee is to assist and support the Board of ALCOM in fulfilling its fiduciary responsibilities relating to corporate accounting, system of internal controls and risk management processes as well as management and financial reporting practices of the Group.

COMPOSITION AND MEETINGS

As at end of financial year ending 31 March 2014, the Audit Committee comprised of three Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the Committee is an Independent Non-Executive Director and all members of the Audit Committee are also members of the Board. The compositions of the Audit Committee during the financial year ended 31 March 2014 were as follows:-

- Dato' Kok Wee Kiat - Independent Non-Executive Director, Chairman of Audit Committee
- Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar – Independent Non-Executive Director
- Y. M. Tengku Yunus Kamaruddin – Independent Non-Executive Director
- Mr. Paul Allen Stadnikia – Non-Independent Non-Executive Director

The detailed profiles of the Committee Members can be found on pages 34 to 40.

During the financial year ended 31 March 2014, four (4) Audit Committee meetings in addition to several informal meetings were held and attendance details of the directors at meetings held were as follows:-

No.	Name of Audit Committee Member	Total Meetings Attended *	Percentage of Attendance
1	Dato' Kok Wee Kiat	4/4	100%
2	Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	4/4	100%
3	Y. M. Tengku Yunus Kamaruddin	3/4	75%
4	Mr. Paul Allen Stadnikia	4/4	100%

* *Number of meetings attended / number of meetings held while in office*

The Managing Director and the Chief Financial Officer attended all meetings upon invitation by the Audit Committee. The Group's external auditors also attended the first and third quarter meetings held during the financial year. As in the past years, the Board Audit Committee also had a private session with the external auditors without the presence of the Executive Director and members of the management present to discuss audit findings and any other observations that they may have noted during the audit process.

REPORT OF THE AUDIT COMMITTEE

The company secretary who is also the secretary to the Audit Committee attends all the meetings.

Summary of activities

The Audit Committee carried out its duties in accordance with the Summary of Terms of Reference as listed below during the financial year with the keys responsibilities listed as follows:-

- Overseeing financial reporting and practices,
- Review and approve the Internal and External Audit scope and plans;
- Receive the audit report of the Group prepared by the Internal and External Auditors and major findings by the auditors and management responses thereon:
- Review the quarterly announcement on interim financial result and annual reports of the Group prior to submission to the Board for consideration and approval;
- Reviewing conflict of interest situations and recurring related parties transactions entered into by the Group and the disclosure of such transactions in the annual report and circular to ensure compliance with the Bursa Malaysia Securities Berhad's Main Market Listing Rules, and
- Assessing the risk and control environment within the Group.

Internal Audit function

ALCOM Group is subject to yearly audits by an internal audit team from its parent company. Internal audit performs the role of promoting an efficient and effective control environment through independent and objective internal control reviews, education and business process consultation. The areas to be covered by the audit are selected on a rotational basis, with core risk areas being subject to audit more regularly than those outside the defined core risk areas.

A risk-based approach is adopted in the planning and conduct of audits which is consistent with the Group's established risk-based framework in identifying, designing, implementing and monitoring of control systems. The Audit Committee reviews the scope of the intended audit and approves the audit plan before the actual audit takes place. The findings of the internal audit work done are reported directly to the Audit Committee. The scope of the Internal Audit covers the audits of all units and operations of the Group including the various computer application systems and network of the Group.

The final reports from both the internal and external auditors were forwarded directly to the Audit Committee. Key observations and opportunities for improvements identified were also presented to the Audit Committee for management to revert with responses to mitigate gaps, if any identified.

The costs relating to the annual internal audit function conducted during the financial year were fully absorbed by the parent company.

SUMMARY OF TERMS OF REFERENCE

1. Composition of Members

1.1 The Board shall elect the Audit Committee members from amongst themselves, comprising no less than three (3) Non-Executive Directors. The majority of the Audit Committee members shall be Independent Directors as defined under Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR").

1.2 All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must fulfill the conditions as set out under paragraph 15.09(1)(c) of the MMLR.

1.3 No alternate Director of the Board shall be appointed as a member of the Audit Committee.

1.4 The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board through the Nominating Committee at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

REPORT OF THE AUDIT COMMITTEE

2. Retirement and Resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non compliance to the composition criteria as stated in paragraph (1) above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

3. Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director. In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.

4. Meetings

4.1 The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

4.2 Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders. Besides, the Audit Committee shall meet with the external auditors without executive Board members or employees present at least twice a year and whenever necessary.

4.3 The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman, the Managing Director, the Chief Financial Officer, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

5. Objectives

The principal objectives of the Audit Committee are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

(a) evaluate the quality of the audits performed by the internal and external auditors;

(b) provide assurance that the financial information presented by management is relevant, reliable and timely;

(c) oversee compliance with laws and regulations and observance of a proper code of conduct; and

(d) determine the quality, adequacy and effectiveness of the Group's control environment.

6. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

(a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.

(b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management and employees of the Company and Group.

(c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).

(e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities Main Market Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

7. Duties and responsibilities

7.1 Evaluating the External Audit Process

(a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

(b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(c) To review with the external auditor his evaluation of the system of internal controls and his audit report;

(d) To consider the auditor's competence & independence.

7.2 Overseeing Financial Reporting

(a) To review the quarterly and year-end financial statements of the Board, focusing particularly on:-

- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements;
- presents a true and fair view of the company's financial position and performance

(b) Assessing the appropriateness of management's selection of accounting policies and disclosures in compliance with approved accounting standards.

(c) Ensuring timely submission of Financial Statements by management.

(d) Reviewing significant or unusual transactions and accounting estimates, including related party transaction.

(e) To review the external auditor's management letter and management's response;

7.3 Assess Risks & Control Environment

(a) To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;

(b) To consider the major findings of internal investigations and management's response;

(c) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

7.4 Review conflict of interest and Related Party Transaction

To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

7.5 Relationships and Communication with Board, Auditors and Management

(a) To report its findings on the financial and management performance, and other material matters to the Board;

(b) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

(c) To consider other topics as defined by the Board;

(d) To consider and examine such other matters as the Audit Committee considers appropriate.

CORPORATE REVIEW

BOARD OF DIRECTORS

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR
(Independent Non-Executive Chairman)

MR. VISHAL RAO
(Managing Director)

DATO' KOK WEE KIAT
(Independent Non-Executive Director)

Y.M. TENGKU YUNUS KAMARUDDIN
(Independent Non-Executive Director)

BOARD OF DIRECTORS

SHASHI KANT MAUDGAL
(Non-Independent Non-Executive Director)

PAUL ALLEN STADNIKIA
(Non-Independent Non-Executive Director)

EMILIO STEFANO LORENZO BRAGHI
(Non-Independent Non-Executive Director)

MS. LAM LEE SAN
(Secretary)

DIRECTORS' PROFILE

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR

Independent, Non-Executive Chairman.
Aged 66, Malaysian

Appointed to the Board since 27 July 1987 and was elected as Chairman of the Board on 1 October 1987. Asides from being Chairman of the Board, he is also the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee, all of which are sub-committees of the Board. He holds a LLB (Hons) degree from Nottingham University, UK in 1970. He was called to the Bar at Gray's Inn in 1971.

He was Group Company Secretary of Malaysian National Corp. (PERNAS) from 1971 to 1972, Managing Director of Haw Par Malaysia from 1973 to 1976, CEO of Antah Group of Companies from 1977 to February 2001. He is currently Chairman of Syarikat Pesaka Antah Sdn Bhd. He was appointed as Chairman of Lafarge Malaysia Berhad on 27 May 2003.

Apart from business commitments, he is a Director of the Institute of Strategic and International Studies, Malaysia, a member of the Court of Emeritus Fellows of the Malaysian Institute of Management, and a member of the Malaysian-British Business Council. In the field of sports, he is the President of the Olympic Council of Malaysia, a member of the Board of Management of the National Sports Council of Malaysia, Patron of the Malaysian Cricket Association, and founding Chairman of the Foundation for Malaysian Sporting Excellence (SportExcel). He is also Patron of the World Squash Federation, President of the Commonwealth Games Federation and member of the International Olympic Committee.

He attended all four (4) Board meetings held in the financial year.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
2. *None of the directors have any personal interest in any business arrangements involving ALCOM.*
3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORS' PROFILE

VISHAL RAO

Managing Director
Age 36, Indian

Appointed to the Board on 1 June 2013. Mr. Rao graduated with the Bachelor of Commerce (1998) and Masters of Commerce (2001) Sydenham College in Mumbai. He is also a Chartered Accountant from India and holds a MBA from Harvard Business School (2006).

Mr. Rao started his career as an auditor with KPMG in India where he performed audits and due diligence reviews for a variety of companies. Prior to joining Novelis, he worked at the World Bank HQ doing business planning and strategy for the Latin America region and then with McKinsey & Co., focusing on growth strategies across a broad range of industries including transportation, logistics, finance and retail.

He subsequently joined Novelis Inc. in 2010 in the Corporate Strategy group based in Atlanta, GA. Most recently he was Director, Strategy & Business Development for Novelis Europe, based in Zurich, Switzerland where he was responsible for strategy development including strategic portfolio development, major capital investments and divestments for the region. He also led sales for the European Foil and Packaging Business Unit where he was responsible for segment sales from three plants based in Germany.

He has attended three (3) out of three (3) Board meetings held in FY2014, since his appointment.

Mr. Vishal Rao holds 56,000 ordinary shares in the Company.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
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3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORS' PROFILE

DATO' KOK WEE KIAT

Independent Non-Executive Director
Age 73, Malaysian

Appointed to the Board since 1 January 1996. He is currently Chairman of the Audit Committee and also a member of the Nomination Committee and Remuneration Committee, all of which are sub-committees of the Board. He holds a LLB (Hons) degree from the National University of Singapore.

He practised law from 1965 to 1986 and from 1990 to 2000. From 1986 to 1990 he was the Deputy Minister of Trade & Industry of Malaysia. Dato' Kok also sits on the Boards of Directors of Bata Malaysia Sdn. Bhd., the Securities Industry Disputes Resolution Center and the Asian Women's Leadership University (AWLU) Malaysia Foundation. After serving 20 years on the Board of The Bank of Nova Scotia Berhad, he retired from the Board in May this year. He remains Advisor to the Prime Minister's Hibiscus Award after chairing the Organizing Committee for past 12 years. He was the Chairman of the Environmental Quality Council of Malaysia from 2000 to 2009. He is the Honorary President of the Business Council for Sustainability & Responsibility, Malaysia. Dato' Kok has been the Honorary Consul in Malaysia for the Grand Duchy of Luxembourg since 2007.

He attended all four (4) Board meetings held in the financial year.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
2. *None of the directors have any personal interest in any business arrangements involving ALCOM.*
3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORS' PROFILE

Y.M. TENGKU YUNUS KAMARUDDIN

Independent Non-Executive Director
Age 73, Malaysian

Appointed to the Board on 27 December 2001 and is also member of the Audit Committee, which is a sub-committee of the Board. He holds a BA Hons (Economics) degree from the University of Wales, is a Fellow member of Institute Of Chartered Accountants (England & Wales), Malaysia Institute of Certified Public Accountants and Malaysia Institute of Accountants.

He was an audit partner of an international firm of accountants for 14 years until retirement. From 1985 to 1990 he was appointed by Bank Negara Malaysia to serve on the board of Bank Bumiputra Malaysia Berhad. He is a Director of Keck Seng (Malaysia) Berhad and sits on the Board of UBS Securities Sdn Bhd since 14 September 2005.

He attended three (3) out of four (4) Board meetings held in the financial year.

Y.M. Tengku Yunus Kamaruddin holds 114,500 ordinary shares in the Company.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
2. *None of the directors have any personal interest in any business arrangements involving ALCOM.*
3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORS' PROFILE

SHASHI KANT MAUDGAL

Non-Independent Non-Executive Director
Age 60, Indian

Appointed to the Board on 01 June 2012 and is also a member of the Nomination Committee and Remuneration Committee, all of which are sub-committees of the Board. Holds a Masters of Business Administration (Marketing & Finance) from the Indian Institute of Management, Calcutta, India in 1978, and Bachelor of Technology (Chemical Engineering) from the Indian Institute of Technology, Delhi, in 1976.

He began his career with Asian Paints (I) Ltd, from 1978 to 1987, holding various Sales and Marketing positions at various major cities within India. From 1987 to 1992, Mr. Maudgal joined Hindustan Ciba-Geigy Ltd as General Sales Manager heading the Consumer Product Division and was later promoted to Marketing Manager in charge of Sales & Marketing heading the Agricultural Division. He joined Arvind Clothing Ltd, Bangalore in Sept 1992, as Chief Executive of the branded garment subsidiary till 1996 when he was promoted by the Arvind group to head Company's European subsidiary located at London as its Chief Executive. In 1998, he was with Ceat (Tyres) Ltd as Executive Director of Marketing and Sales for 3 years till 2001. He later joined Hindalco Industries Ltd., in Feb 2001 until May 2012 as Chief Marketing Officer of Hindalco Industries Ltd. Mr. Maudgal had enjoyed many accomplishments during his tenure at Hindalco, including building and leading the marketing department, leading the European due diligence process team during the acquisition of Novelis, and serving as a member of the executive leadership team in setting strategic direction for Hindalco. In addition to his responsibilities with Hindalco, Mr. Maudgal was a member of the Aditya Birla Group ("ABG") Business Review Councils for Grasim Viscose Fiber and Ultratech's Birla White Cement. He was also the Vice President of the Aluminium Association of India. In 2009, he was awarded the ABG Chairman's Outstanding Business Leader Award for his consistent record of accomplishments.

Currently, he is the Senior Vice President and Regional President of Novelis Asia, located at Seoul, South Korea. He oversees Novelis Asia's operations in the Asian region.

He attended three (3) out of four (4) Board meetings held in the financial year 2014.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
2. *None of the directors have any personal interest in any business arrangements involving ALCOM.*
3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORS' PROFILE

PAUL ALLEN STADNIKIA

Non-Independent Non-Executive Director
Age 55, American

Appointed to the Board on 1st June 2012 and is also a member of the Audit Committee, which is a sub-committee of the Board. He holds a Bachelor of Science in Business Administration from the Central Michigan University in 1981.

Upon graduation he worked with the CMS Energy Corporation Group holding a variety of positions; as Senior Financial Analyst (1981), Senior Finance Director (1997), Assistant Treasurer (1999), and ultimately as Executive Director of Financial Planning (2004). He then joined DTE Energy Group from 2004 through 2008 as Director of Trust Investments to Assistant Treasurer and eventually the Director of Corporate Finance. In Oct 2008, he joined Enexus Energy Corporation / Entergy Corporation as the Vice President and Treasurer responsible for developing financial strategy and operations of Enexus Group. Mr. Stadnikia subsequently joined Novelis Inc., on Sept 2010 as the Assistant Treasurer working on the funding needs of the Novelis Group via the multi-billion dollar recapitalization. The Novelis Group's debt was restructured to enhance the Group's financial flexibility leading to a multi-billion dollar dividend to Novelis Inc.'s parent.

On Feb 2011, he was promoted to his present position as Vice President - Finance of Novelis Asia, responsible for the overall financial management of the Novelis Asia Region, located at Seoul, South Korea.

He attended all four (4) Board meetings held in the financial year 2014.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
2. *None of the directors have any personal interest in any business arrangements involving ALCOM.*
3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORS' PROFILE

EMILIO STEFANO LORENZO BRAGHI

Non-Independent Non-Executive Director
Age 47, Italian

Appointed to the Board on 27 June 2013. Mr. Emilio Braghi graduated with a Bachelor Degree (1994) in Industrial Technologies Engineering specializing in Economics from the Politecnico of Milan, Italy.

Upon graduation, he began his career as Export Manager with Montedison, a chemical multinational group for 3 years before joining Alcoa Industrial Chemicals as the Account Manager in 1998. He later joined Alcan Aluminio, (Roll Products business of ALCAN Inc., Group) in1999 where the same Roll Product business of ALCAN Inc., was spun off into Novelis Inc., Europe since 2005 till present.

During this period, he has held numerous leadership roles from Product Manager to Sales Director, Sales & Marketing Director (in charge of four distribution centers in Novelis Italy); General Manager (Pieve and Bresso plants, Novelis Italy) Value Stream Manager – Litho and Painted Product Novelis Europe; and eventually as Vice President and General Manager – Value Stream Specialities, Novelis Europe in Oct 2011. During his past 12 years with the Group, he has accumulated diverse experience including leadership in successfully turning around and restructuring of the Italian operations as well as initiating and implementing value stream propositions to the Manufacturing, Supply Chain and Sales operations within Novelis Europe.

In March 2012, he was promoted to Vice President, Operations, Novelis Asia based in Seoul, South Korea to assume a wider scope of responsibility for operations of the two major plants located in Ulsan and YeongJu. Subsequently, in May 2014, he was named Vice President, Sales and Operations, Novelis Asia, taking on additional responsibility for all commercial activities within the region.

He has attended two (2) out of three (3) Board meetings held in FY2013, after his appointment.

Notes:

1. *None of the directors have any family relationship with any other director and/or major shareholder of ALCOM.*
2. *None of the directors have any personal interest in any business arrangements involving ALCOM.*
3. *None of the directors had any convictions for offences within the past 10 years.*

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman:

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR
(Independent Non-Executive Chairman)

Managing Director:

MR. VISHAL RAO
(Non-Independent Executive Managing Director)

Directors:

DATO' KOK WEE KIAT
(Independent Non-Executive Director)

Y.M. TENGKU YUNUS KAMARUDDIN
(Independent Non-Executive Director)

MR. SHASHI KANT MAUDGAL
(Non-Independent Non-Executive Director)

MR. PAUL ALLEN STADNIKIA
(Non-Independent Non-Executive Director)

MR. EMILIO STEFANO LORENZO BRAGHI
(Non-Independent Non-Executive Director)

Joint Secretaries:

MS. LAM LEE SAN (MAICSA 7048104)
MS. ERICIA TAN YOKE KUAN (MAICSA 7056281)

AUDIT COMMITTEE

Chairman:

DATO' KOK WEE KIAT

Members:

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR
Y.M. TENGKU YUNUS KAMARUDDIN
MR. PAUL ALLEN STADNIKIA

NOMINATION COMMITTEE

Chairman:

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR

Members:

DATO' KOK WEE KIAT
MR. SHASHI KANT MAUDGAL

REMUNERATION COMMITTEE

Chairman:

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR

Members:

DATO' KOK WEE KIAT
MR. SHASHI KANT MAUDGAL

DIRECTORATE & CORPORATE INFORMATION

REGISTERED OFFICE

No. 3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang, Selangor Darul Ehsan
Telephone : +603-3346 6262
Telefax : +603-3341 2793

REGISTRARS

Symphony Share Registrars Sdn Bhd
(378993-D)
Level 6 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46,
47301 Petaling Jaya
Selangor Darul Ehsan
Telephone : +603-7841 8000
Telefax : +603-7841 8152

AUDITORS

PricewaterhouseCoopers,
Kuala Lumpur
(AF: 1146)

PRINCIPAL BANKERS

Malayan Banking Berhad
(3813-K)

Citibank Berhad
(297089-M)

SOLICITORS

SKRINE

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad - Main Market

WEBSITE

www.alcom.com.my

GROUP INFORMATION

HEAD OFFICE

No. 3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang
P.O. Box 233
41720 Klang
Selangor Darul Ehsan
Telephone : +603-3346 6262
Telefax : +603-3341 2793

SALES ENQUIRIES/CONTACT

sales.alcom@novelis.com

WEBSITE

ALCOM Group: www.alcom.com.my

Parent Company: www.novelis.com

MANUFACTURING PLANTS

ALUMINIUM COMPANY OF MALAYSIA BERHAD
(3859-U)

Sheet & Foil

No. 3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang
P.O. Box 233
41720 Klang
Selangor Darul Ehsan
Telephone : +603-3346 6262
Telefax : +603-3341 2793

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD
(203469-H)

Coated Finstock

No. 3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang
P.O. Box 79
41700 Klang
Selangor Darul Ehsan
Telephone : +603-3342 2234
Telefax : +603-3342 2203

PRODUCTS MANUFACTURED

- **ALCOM ALUMINIUM SPECIALTY PRODUCTS**
  Tread Plate, Flat Sheet, Coils, Stucco Embossed Sheet / Coils, Painted Sheet / Coils, Cladding Sheet, Composite Panel, Capacitor Coil, Closure Sheet

- **ALCOM ALUMINIUM ROOFING PRODUCTS**
  Corrugated Sheet
  ‘PAYUNG’ – 7C & 11C
  Industrial Profile Roofing Sheets
  ‘7P’, ‘Alrib’, ‘Comspan’
  Available In Stucco-Embossed, Painted Finished and Roofing Coil.

- **ALUMINIUM FOIL PRODUCTS**
  Finstock - Bare & Coated,
  Cable Foil, Plain Foil,
  Diaphragm Foil (Lacquered),

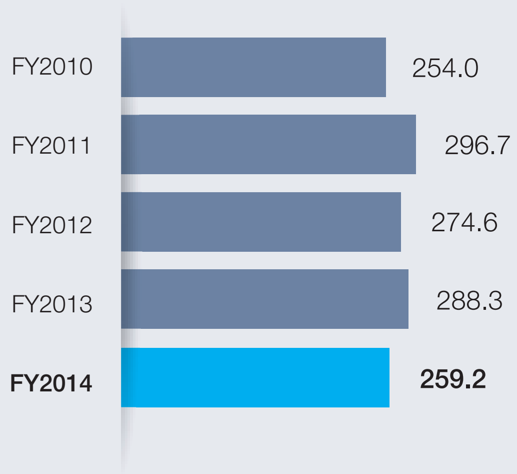
- **TRADE NAMES**
  PAYUNG - Corrugated Sheet
  COMSPAN - Industrial Profile Roofing Sheet

FIVE-YEAR SUMMARY

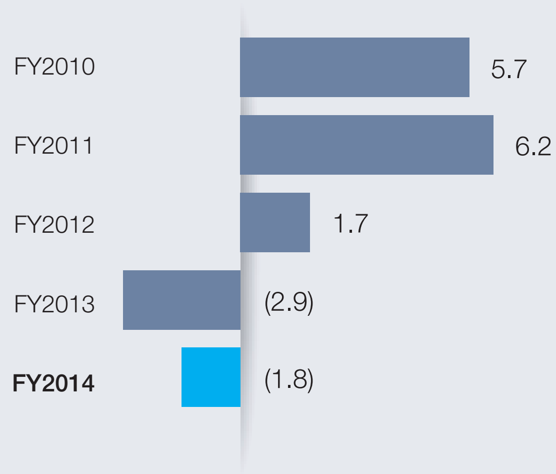
GROUP FINANCIAL HIGHLIGHTS	12 months year ended 31.03.2010	12 months year ended 31.03.2011	12 months year ended 31.03.2012	12 months year ended 31.03.2013	12 months year ended 31.03.2014
REVENUE AND EARNINGS (RM MILLION)					
Revenue	254.0	296.7	274.6	288.3	259.2
Profit/(Loss) from ordinary activities before tax	6.8	8.0	2.4	(3.9)	(2.3)
Provision for taxation					
- Current	(0.5)	(2.8)	(0.6)	(0.1)	(0.6)
- Deferred	(0.6)	1.0	(0.1)	1.1	1.3
Net profit/(loss) attributable to shareholders	5.7	6.2	1.7	(2.9)	(1.8)
BALANCE SHEET ITEMS (RM MILLION)					
Working capital	121.9	116.1	102.0	98.6	100.0
Non current assets	86.5	90.6	99.6	93.8	89.6
Total borrowings	-	-	-	-	-
Shareholders' funds	193.6	192.3	186.6	178.7	176.9
Total assets	226.1	229.8	219.8	213.5	214.9
OTHER STATISTICS					
Earnings/(Loss) per Ordinary Share (RM Sen)	4.0	5.0	1.3	(2.2)	(1.20)
Ordinary dividend per Share (RM Sen)	10.0	7.5	7.5	5.0	-
Net tangible asset backing per ordinary share (RM)	1.46	1.45	1.41	1.35	1.34
Capital expenditure (RM million)	5.4	12.5	23.6	8.4	8.7
Net cash from operating activities (RM million)	(3.7)	27.7	15.3	11.8	26.9
Share prices : Highest (RM)	1.16	1.04	1.05	0.90	0.83
: Lowest (RM)	0.77	0.90	0.81	0.56	0.62

FIVE-YEAR SUMMARY

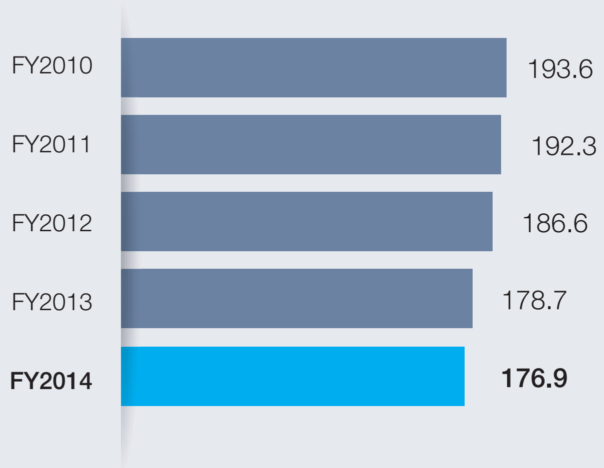
REVENUE
(RM million)



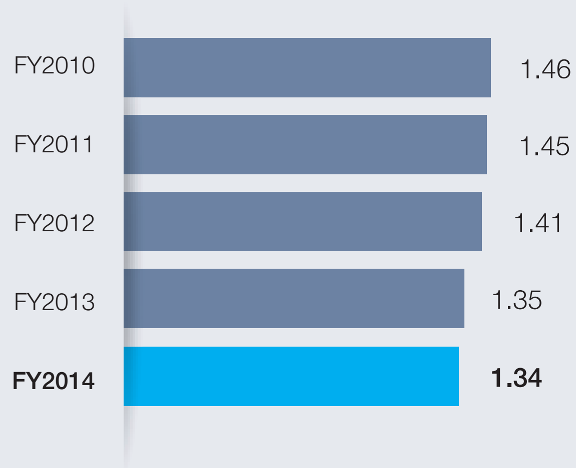
NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS
(RM million)



SHAREHOLDERS' FUNDS
(RM million)



NET TANGIBLE ASSET BACKING PER ORDINARY SHARE
(RM)



CHAIRMAN'S STATEMENT
KENYATAAN PENGERUSI

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE ALUMINIUM COMPANY OF MALAYSIA BERHAD ("ALCOM") GROUP AND COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014.

BAGI PIHAK LEMBAGA PENGARAH, SAYA DENGAN SUKACITANYA MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN BAGI KUMPULAN DAN SYARIKAT ALUMINIUM COMPANY OF MALAYSIA BERHAD ("ALCOM") BAGI TAHUN KEWANGAN BERAKHIR 31 MAC 2014.

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

The Group posted revenue of RM259.2 million for the financial year ended 31 March 2014(FY2014) which was approximately 10% lower compared to FY2013's revenue of RM288.3 million. The revenue was largely impacted negatively by the decline in the price of aluminium, which trades as a commodity on the London Metal Exchange (LME); in FY2013 the average LME was USD2,042 compared to USD1,863 in FY2014. In addition, there was a lower shipment volume registered in FY2014 compared to FY2013 resulting from a strategy refresh during the year with concentration of high value product portfolio whilst cutting back on the products that generated low contributions relative to the constrained resources. This has had a vital positive impact on the result; moving our overall conversion premiums per metric ton sold by 13% upwards as compared to FY2013.

13% ▲

OVERALL CONVERSION PREMIUMS PER METRIC TON SOLD

Against this backdrop, ALCOM Group posted a net loss of RM1.8 million for the financial year ended 31 March 2014 as compared to the net loss of RM2.9 million recorded in the preceding year. The net loss was a result of a confluence of factors including those being beyond our control; the pricing pressures from competition in both the domestic and export markets resulting in squeezed margins, the LME volatility and the increased electricity tariffs. In addition, the main Japanese port premiums rose to unprecedented levels in the fiscal year.

The strategy adopted of optimal product mix has positioned the Group in some measure to cushion against headwinds of the severe pricing pressures from the highly competitive Asian manufacturers by steering away from those low contribution yielding products relative to resources.

During the fiscal year, the Group successfully implemented the Manufacturing Execution System ("MES") which provides real time visibility into the manufacturing operations and process management as well as product traceability. MES has become indispensable as the Group is able to attain higher standards of delivery to customers, through shortened lead times and a more efficient production scheduling as well as optimized work-in-progress inventory levels. This has given the Group an advantage over its domestic competition, as much of the roll product supply is imported into Malaysia with lead times being much longer than that offered by the Group.

The Group has performed exceptionally well in the management of its working capital during the fiscal year, generating a healthy positive net cash, closing the fiscal year with the cash balance increasing by RM19.6 Million.

RM19.6 MILLION ▲

CASH BALANCE

ECONOMIC AND INDUSTRY TRENDS & DEVELOPMENTS

Global economic outlook is expected to improve in 2014 though the pace of recovery in the advanced economies is expected to be moderately slow compared with the emerging economies.

On the local front, Malaysia is projecting a GDP growth of between 5% and 5.5% for 2014 after registering a growth of 4.7% for the entire of 2013. Domestic demand, as with recent years, is expected to be the main driver of the growth, led by robust private investment supported by the implementation of the on-going Economic Transformation Program(ETP). The ETP has significant positive spillover effects on numerous other segments including construction and real estate, which augurs well for manufacturers including ALCOM Group.

4.7% ▲

GDP GROWTH

CHAIRMAN'S STATEMENT

PROSPECTS

The business outlook for the Group in FY2015 continues to remain challenging, with the on-going pricing pressures coming from stiff competition in the region, coupled with the anticipated further local cost escalation resulting from increased cost of energy and anticipated reduction in government subsidies.

The Group has successfully penetrated selected European coated fin markets and has strategies in place to expand more aggressively in order to capture a larger share of this market. This is timely as Malaysia has recently 'graduated' from the Generalised System of Preferences within the European market where Malaysia is no longer granted preferential treatment for exports to this region.

The renewed strategy and recent organizational realignment will accelerate our ability to collectively deliver increased value to current and prospective customers. We are also making progress on various production and operational improvement initiatives, aimed at deriving greater value from our assets. At the same time there are specific operating programs being executed including rigorous cost control measures whilst embedding continuous improvement as a way of life. Equally important is ensuring that the workplace is safe and healthy for our employees for which we will continually place emphasis.

The Group is currently in the midst of working on migrating its legacy Enterprise Resource Planning (ERP) system to a new fully integrated ERP system. This would facilitate the streamlining of various processes within the Group and provide the management information required for the business to respond proactively in an ever-changing environment to help the Group to be more competitive and resilient.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank all our employees, shareholders, customers, business partners, and government authorities. We look forward to their continued commitment and dedicated support. The Board would also like to register a note of appreciation and thanks to our immediate Holding Company, Novelis Inc., for the ongoing technical support to help elevate the status of ALCOM into a world-class manufacturer.

Last but not least, I would also like to take this opportunity to express my gratitude to all my fellow members of the Board for their valued counsel and continued support.

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM
TUNKU JA'AFAR
15 June 2014

KENYATAAN PENGERUSI

PRESTASI KEWANGAN

Kumpulan mencatatkan perolehan sebanyak RM259.2 juta bagi tahun kewangan berakhir 31 Mac 2014 (FY2014) yang merupakan kira-kira 10% penurunan berbanding dengan hasil tahun kewangan 2013, iaitu sebanyak RM288.3 juta. Penurunan dalam pendapatan ini merupakan kesan negatif dalam harga aluminium, yang diperdagangkan sebagai komoditi di London Metal Exchange ("LME"); dalam tahun kewangan 2013 purata LME adalah USD2,042 berbanding dengan USD1,863 dalam tahun kewangan 2014. Di samping itu, terdapat jumlah penghantaran yang lebih rendah yang dicatatkan pada tahun kewangan 2014 berbanding tahun kewangan 2013 kesan daripada pembaharuan strategi pada tahun ini dengan menumpukan pada portfolio produk bernilai tinggi dan mengurangkan pengeluaran produk-produk yang kurang menjana pulangan selaras dengan penggunaan sumber yang terhad. Strategi ini telah memberi kesan positif yang sangat besar; dengan penukaran premium per metrik tan secara keseluruhan yang dijual sebanyak 13% lebih tinggi berbanding dengan tahun kewangan 2013.

13%

PENUKARAN PREMIUM PER METRIK TAN SECARA KESELURUHAN YANG DIJUAL

Dengan latar belakang ini, Kumpulan ALCOM mencatatkan kerugian bersih sebanyak RM1.8 juta bagi tahun kewangan berakhir 31 Mac 2014 berbanding dengan kerugian bersih sebanyak RM2.9 juta yang dicatatkan pada tahun sebelumnya. Kerugian bersih ini adalah hasil daripada pertemuan faktor-faktor termasuklah yang berada di luar kawalan kami; iaitu tekanan harga daripada persaingan dalam kedua-dua pasaran domestik dan eksport menyebabkan tekanan margin, ketidakstabilan LME dan peningkatan tarif elektrik. Di samping itu, premium pelabuhan utama Jepun (Main Japan Port – "MJP") meningkat ke tahap yang belum pernah berlaku dalam tahun fiskal.

Strategi yang menggunakan kepelbagaian produk yang terbaik telah meletakkan Kumpulan dalam beberapa langkah bagi mengurangkan kesan tekanan harga yang teruk dari pesaing-pesaing pengeluar Asia dengan mengelak daripada mengeluarkan produk yang memberi pulangan yang rendah.

Semasa tahun fiskal ini, Kumpulan kita telah berjaya melaksanakan Sistem Pelaksanaan Perkilangan (Manufacturing Execution System - "MES") yang menyediakan "Real Time Visibility" dalam operasi pengeluaran dan pengurusan proses serta produk yang dapat dikesan. MES kini adalah sangat penting kerana Kumpulan dapat mencapai tahap yang lebih tinggi daripada penghantaran kepada pelanggan melalui penjimatkan masa menunggu dan penjadualan pengeluaran yang lebih cekap serta meningkatkan tahap inventori yang sedang dijalankan. Ini telah memberi kelebihan kepada Kumpulan dalam persaingan domestik sama seperti pengimportan bekalan produk gegelung ke Malaysia dengan masa menunggu yang lebih lama berbanding dengan apa yang ditawarkan oleh Kumpulan.

Kumpulan telah menunjukkan prestasi cemerlang dalam pengurusan modal kerja dalam tahun fiskal, penjanaan tunai bersih yang sangat positif, dan menutup tahun fiskal dengan peningkatan baki tunai sebanyak RM19.6 juta.

RM19.6 JUTA

BAKI TUNAI

PERKEMBANGAN EKONOMI DAN ALIRAN INDUSTRI

Prospek ekonomi global dijangka bertambah baik pada tahun 2014 walaupun kadar pemulihan dalam ekonomi negara maju dijangka sederhana perlahan berbanding dengan kemunculan ekonomi negara baru.

Di dalam pasaran tempatan, Malaysia mengunjurkan pertumbuhan KDNK di antara 5% dan 5.5% pada tahun 2014 selepas mencatatkan pertumbuhan sebanyak 4.7% bagi keseluruhan tahun 2013. Permintaan dalam negeri, seperti tahun-tahun kebelakangan, dijangka menjadi pemacu utama pertumbuhan, diterajui oleh pelaburan swasta yang kukuh dan disokong oleh pelaksanaan yang berterusan dari Program Transformasi Ekonomi (Economic Transformation Program – "ETP"). ETP menjana kesan limpahan positif kepada banyak segmen lain termasuk pembinaan dan hartanah yang merupakan petanda baik bagi syarikat pengeluar termasuk Kumpulan ALCOM.

4.7%

PERTUMBUHAN KDNK

KENYATAAN PENGERUSI

PROSPEK

Tinjauan perniagaan bagi Kumpulan dalam tahun kewangan 2015 terus kekal mencabar, dengan tekanan harga yang berterusan yang berpunca dari persaingan sengit di rantau ini, ditambah pula dengan kos tempatan yang telah dijangka akibat daripada peningkatan kos tenaga dan pengurangan dalam subsidi kerajaan.

Kumpulan telah berjaya menembusi pasaran Eropah yang terpilih bagi produk 'coated fin' dan mempunyai strategi yang tersedia untuk berkembang dengan lebih agresif bagi menguasai bahagian pasaran yang lebih besar. Ini tepat pada masanya kerana Malaysia baru-baru ini telah beralih daripada Sistem Keutamaan Am (Generalised System of Preferences) dalam pasaran Eropah di mana Malaysia tidak lagi diberi layanan istimewa untuk eksport ke rantau ini.

Pembaharuan strategi dan penjajaran semula organisasi baru-baru ini akan mempercepatkan keupayaan kita untuk mempertingkatkan nilai secara kolektif kepada pelanggan semasa dan bakal pelanggan kita. Kami juga membuat kemajuan dalam pelbagai pengeluaran dan inisiatif dalam peningkatan operasi, yang bertujuan untuk mendapatkan nilai yang lebih besar daripada aset kami. Pada masa yang sama terdapat operasi tertentu bagi program yang dilaksanakan termasuk langkah-langkah kawalan kos yang ketat disamping menerapkan penambahbaikan berterusan sebagai satu cara hidup. Sama pentingnya adalah dalam memastikan tempat kerja adalah selamat dan sihat bagi pekerja-pekerja kita yang mana kita akan terus memberi penekanan yang lebih.

Kumpulan kini sedang dalam peralihan dari sistem Perancangan Sumber Enterprise (Enterprise Resource Planning – "ERP") ke sistem ERP bersepadu sepenuhnya yang baru. Ini akan memudahkan penyelarasan pelbagai proses dalam Kumpulan dan menyediakan maklumat pengurusan yang diperlukan untuk perniagaan bagi bertindak secara proaktif dalam persekitaran yang sentiasa berubah dan membantu Kumpulan untuk lebih berdaya saing dan berdaya tahan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada seluruh kakitangan, pemegang saham, pelanggan, rakan perniagaan, dan badan-badan kerajaan. Kami mengharapkan komitmen dan dedikasi mereka secara berterusan. Pihak Lembaga Pengarah juga ingin merakamkan nota penghargaan dan terima kasih kepada Syarikat Induk kami, Novelis Inc, untuk sokongan teknikal yang berterusan bagi membantu meningkatkan status ALCOM sebagai pengeluar bertaraf dunia.

Akhir sekali, saya juga ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada semua rakan-rakan Pengarah atas nasihat berharga dan sokongan yang berterusan.

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUNKU JA'AFAR.
Jun 15, 2014

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

DEAR SHAREHOLDERS,

THIS IS MY FIRST REVIEW ON OPERATIONS AS MANAGING DIRECTOR OF ALCOM. FIRSTLY, I WOULD LIKE TO THANK YOU AND THE BOARD FOR GIVING ME THE OPPORTUNITY TO TAKE THE HELM OF ONE OF THE LEADING ALUMINIUM ROLLING BUSINESSES IN SOUTH EAST ASIA. SECONDLY, I LOOK FORWARD TO HELPING ALCOM MOVE THE BUSINESS FORWARD IN THE FACE OF A TOUGH MARKET SITUATION AND CHALLENGED HISTORICAL FINANCIAL PERFORMANCE. IN THIS REVIEW, I WOULD LIKE TO OUTLINE OUR PERFORMANCE IN FISCAL YEAR 2014 AS WELL AS OUR BUSINESS APPROACH IN FISCAL YEAR 2015.

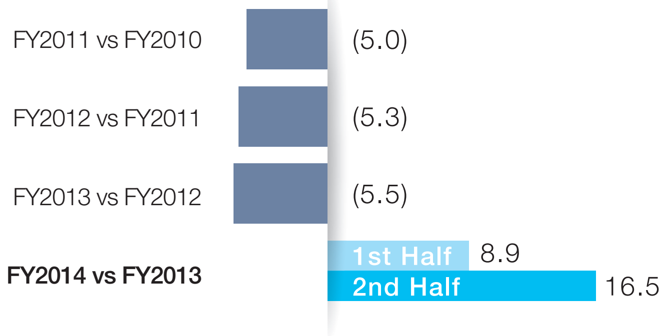
MANAGING DIRECTOR'S REVIEW ON OPERATIONS

Fiscal Year 2014 was another challenging year for ALCOM. While demand for rolled aluminium products was stable during the previous year, we experienced a continued downward pressure on prices driven primarily by Chinese manufacturers that benefit from lower price metal in China. The impact of this pricing situation was exacerbated by a significant increase in the Main Japan Port (MJP) premium which represents the additional cost over the London Metal Exchange price that producers need to pay for aluminium. The MJP change effectively increased the cost to our customers, reducing the relative attractiveness of non-Chinese suppliers.

Recognizing the structural shifts in the market, in the third quarter of the fiscal year, we refined and started delivering on a new strategy. Our new strategy is focused on selling more value added and technologically advanced products such as coated finstock, lacquered foil and roofing, while reducing our reliance on relatively commoditized products such as plain aluminium sheet.

In line with the new direction, starting in the third quarter (Q3), we aggressively bottom sliced our sales portfolio and increased prices for marginal customers.

YEAR ON YEAR CHANGES OF AVERAGE CONVERSION PREMIUM PER TON (REVENUE EXCLUDING PASS THROUGH METAL COST)
PERCENTAGE (%)

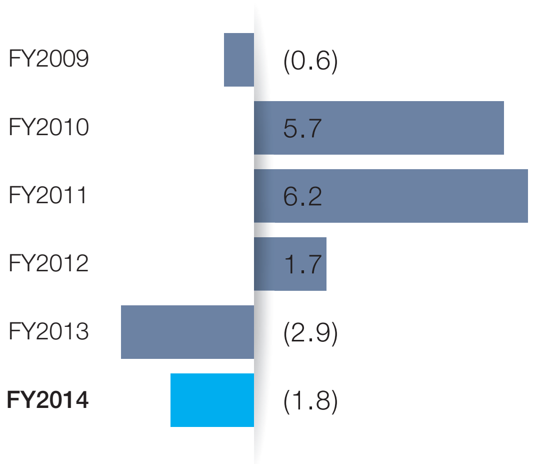


As a result, while sales tonnage fell during the year, total conversion premium (revenue excluding pass through metal cost) remained the same as the previous year.

Therefore, despite a declining price environment, our portfolio changes resulted in an average sales price per ton increase of 13%, which translated to a 9% increase in Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") per ton.

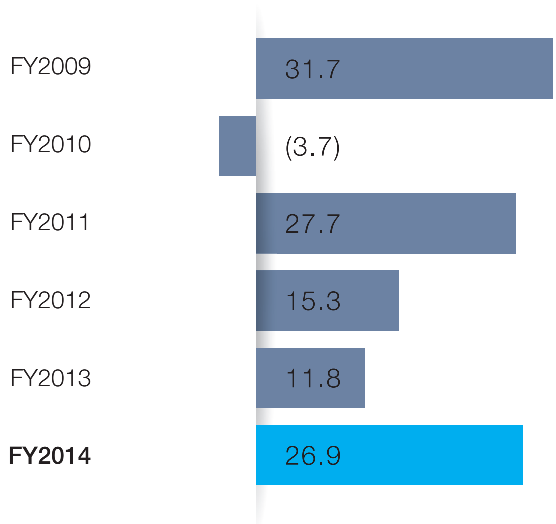
Against this backdrop, the Group registered a net loss of RM 1.8 million which represents an improvement over the FY2013 net loss of RM 2.9 million.

NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS
(RM MILLION)



Despite the net loss incurred, the group generated RM 26.9 million cash from operations during the year on account of improvements to working capital.

CASH FROM OPERATING ACTIVITIES
(RM MILLION)



Cash reserves as at 31st March 2014 stood at RM 55.7Million as compared to RM 36.1 million as at 31st March 2013.

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

EXECUTING AGAINST A NEW COMMERCIAL FOCUS

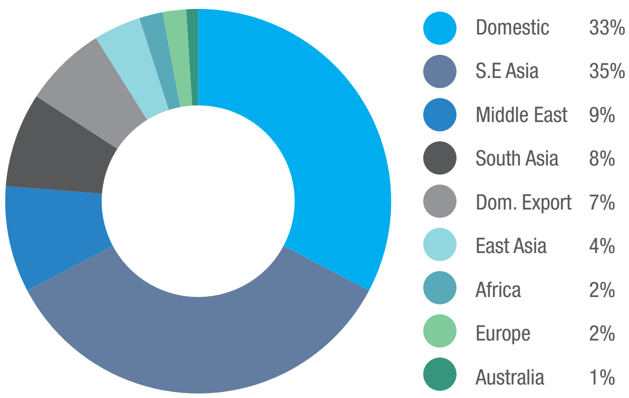
FY2014 was a year of intense commercial activity for ALCOM. Faced by a market situation of reasonable volume demand but low prices, we implemented aggressively on three dimensions:

1. Creating a business development structure and processes for identification of new business opportunities.
2. Increasing sales into new geographies.
3. Increasing volumes of value added products.

To offset the challenging domestic price situation, we created a business development function and processes to better identify and follow up on new business opportunities, especially outside the Malaysian market.

We continue to be a global business with exports representing 67% of ALCOM's sales. During the year, we have further expanded the global reach of ALCOM with new customers in Australia and Brazil for coated fin stock, Taiwan for composite panel, and for the very first time, lacquered foil in the Middle East.

SALES BY REGION



Looking forward, in order to offset overcapacity in the Asian market, we are continuing our efforts to expand sales into Europe and the Americas leveraging the network of our parent company Novelis Inc.

I am pleased to report that in FY2014 we experienced a record volume of coated finstock, which is our premium product used in the air conditioning and refrigeration segments. Coated finstock shipment increased by 9% in FY2014 over the previous year. We also achieved a record volume of lacquered foil with a significant increase over the previous year with the export shipment especially to Singapore . Lacquered foil is used as tagger / membrane for dried food can packaging.

On the other hand, we were recognized as the excellent supplier in quality performance by one of our major customers for the whole of FY2014. We also scored full points on Delivery, Quality and Service in the supplier evaluation rating for the supply of aluminium fin to another of our major Japanese customer. Both these customers are leading air condition manufacturers in the world.

ALCOM is one of the oldest reputable manufacturers of corrugated roofing and siding sheet in Malaysia. Aluminium roofs offer several advantages to steel roofs, especially in a climate like Malaysia's. Unlike steel roofs, our aluminium roofing sheets do not rust and require minimal maintenance. They also reduce energy bills by keeping the interior cooler. We have increased our sales focus on the roofing business to communicate the value proposition of our product. Further, we have worked on our supply chain to substantially reducing the lead time to ship products to our customers. ALCOM's roofing and siding sheet was used in several projects this year including bitumen tank projects in West Port and Johore Port.

Project Reference: Bitumen Tank
In Pasir Gudang using ALCOM's aluminium sheet

Project Reference: Leong Hup
Poultry Farm in Yong Peng using ALCOM's Roofing sheet

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

CONTINUALLY IMPROVING OUR OPERATIONS

Through the year we continued our focus on several aspects of operational improvement including further improving our safety record and processes, improving output through manufacturing efficiencies, improving quality performance and modernizing our manufacturing processes to reduce cost of production.

Safety

We believe that our employees are our most valuable asset. In line with Novelis Inc, we aspire to be a global benchmark in Environment, Health and Safety practices and performances. In terms of safety record, the Group achieved 3 million hours without a Lost Time Injury and Illness (LTII) on Feb 2013 and is expected to reach another safety landmark of 4 million hours without LTII in Apr 2014. This is a testament to the sustained efforts to ensure ALCOM sets a global benchmark in workplace and employee safety.

Output

During the year, we achieved daily production records in several machines including the caster, cold mill, edge trimmer and coating line. Further, supported by high customer demand, we achieved monthly production records in our coating line and cold mill.

Modernization of manufacturing processes

On August 2, we successfully implemented a new Manufacturing Execution System (MES) with the help of our colleagues in Novelis Korea. MES is shop floor software which enables the control of multiple elements of the production process in real time. By interfacing with Enterprise Resource Planning ('ERP'), the system allows increased visibility of the status of orders, inventory changes and overall production process flow.

This was a significant change for the plant as we largely depended on manual work on the shop floor prior to the MES implementation. The plant is now able to monitor and control its overall operation environment more efficiently with the newly designed system.

In December 2013, with the help of global experts from Novelis, we made updates to one of our caster lines to improve the energy efficiency of the process. The project registered a reduction in natural gas consumption of 16% per metric ton, improved recovery and reduced ambient heat, making it a safer and more comfortable working environment for our employees.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

We have adopted a sustainability approach in line with Novelis Inc's sustainability strategy. Two years ago, Novelis laid out an ambitious vision aimed at strengthening the long-term competitiveness of our business through sustainability and innovation. We are still in the early stages of our sustainability journey, with many hurdles yet to overcome, but our efforts are already beginning to bear fruit.

Continuous Reduction of Environmental Impact Initiatives within the ALCOM Group during the fiscal year 2014

a) Reduction of Water Usage

Following through the two project initiatives carried out in FY2013 on conservation of water usage within the Group, water consumption during the fiscal year 2014 was further reduced by 4.5% from the previous year. During the fiscal year, the Group has managed to recycle and reused approximately 11,000 m3 of water within the plant facilities.

b) Landfill Waste from Site

On a similar trend, Landfill Waste from the Group reduced further by another 21% as compared to the previous fiscal year, due mainly to lower refractory waste generated from maintenance activities were carried out only on Caster Line 2.

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

c) **Reduction in Energy consumption and GHG (CO^2) Emission**

The Group ultilises several sources of energy in the manufacturing process of its aluminium products, namely, natural gas and electricity. Initiatives on degassing and filtration unit for the Caster Line have been implemented toward end of last year and it has contributed to the overall reduction of Energy efficiency by 4% and Green House Gas ('GHG') emission of Carbon Dioxide ('CO^2') by 5%; within the Group during the fiscal year.

BECOMING AN EMPLOYER OF CHOICE

As the competition for top talent intensifies in Malaysia, ALCOM has been investing actively to retain and hire top talent.

Long Service Award

We are fortunate to have several employees who have given decades of service to the company. In November 2013, we recognized over 50 employees who have worked with ALCOM for over 20, 25 and 30 years.

ALCOM's employees: years of loyalty, dedication and hard work.

Engineering Development Program (EDP)

At the other end of the experience spectrum, recognizing that young engineering talent is a key to the future sustained success of the business, we are investing in this collaboratively with Novelis Inc. This year a second batch of young ALCOM engineers will be graduating from Novelis' Engineering Development Program (EDP) in the end of June 2014. The program began in FY2011 as a 2-year initiative geared towards recent engineering graduates or early career engineers and includes classroom coursework, work-based assignments, coaching on the job, projects and other developmental opportunities.

Motivational Talk

Beyond technical skills, we have also invested in motivating our employees and developing the right mindset to address the challenging market. In January we organized a motivational talk on the topic of 'Keberkatan Di Dalam Pekerjaan' to encourage employees to go above and beyond in the call of duty.

ALCOM's employees engaged in motivation talk

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

Making A Difference Workshop

In keeping with the mindset and motivation theme, in February 2014, we organized a 3 day mindset change workshop called 'Making a Difference' for the entire leadership team. This training is the first step in a broader approach of change management to prepare the company to compete as a global player.

ALCOM's management training: 'making a difference'

ENGAGING WITH OUR COMMUNITY

Following through on a multi-year commitment to helping local schools, in Oct 2013, approximately Sixty ALCOM employees and their family members joined together for a local elementary school clean-up project. They also installed RM7,000 worth of aluminum roofing and donated RM5,000 to the school.

Many volunteers makes the load easy and quick

Donations in kinds and deeds to spice up the surroundings

Satisfaction of job welldone

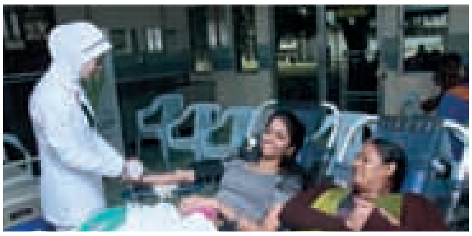
Donation of workstation to SMK Shahbandaraya, Klang

Happy school staff with their work-stations

In March 2014, we donated 12 sets of used office desks to Sek. Men. Keb. Shahbandaraya, Klang to create an improved working environment to the school educators and administrators.

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

Volunteerism in blood donation campaign



Volunteerism in blood donation drive for Hospital Besar, Klang.

The Group is committed to continue with its Neigbourhood programs as in the past. Through its close association with the Hospital Besar Klang, blood donation drives on two occasions during the fiscal Year 2014 was initiated to help replenish the blood bank.

As a founding charter member of the Yayasan Kecemerlangan Sukan Malaysia (SportExcel), ALCOM Group is also committed to SportExcel's mission of being actively involved in assisting and nurturing young sporting talents within Malaysia to achieve their excellence in the international sports arena.

Continuing along with the emphasis on excellence, the Group also inculcates a high performance culture in the children of all its employees by recognizing and giving out annual Academic Excellence Awards to children of employees who achieved excellent results at all levels of examination from primary through high school levels.

Academic Excellence: Children of ALCOM's Employees

LOOKING FORWARD TO FISCAL YEAR 2015

Looking forward we expect demand for aluminium products to grow modestly due to population growth, urbanization and economic growth in the Asian region. We do, however, expect to see continued pricing pressure due to overcapacity in the region.

We will continue our efforts to improve profitability through:

- Focusing our business development efforts to expand volumes of value added products such as coated finstock, lacquered foil, roofing and tread plate.
- Increasing recycled content due to the financial and environmental benefits.
- Utilizing our R&D capabilities to differentiate our products and reduce cost to customer.
- Leveraging our recent investments to improve operational productivity and quality.
- Improving on time delivery and shortening lead times to provide a superior customer service value proposition.

FY2015 will be a challenging and exciting year as we look to implement against a new strategy for the business. I look forward to working with our stakeholders to overcome the present challenges and lead ALCOM towards a more profitable and sustainable future.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company is primarily engaged in the manufacturing and trading of aluminium sheet and foil products. The principal activities of the subsidiaries are shown in Note 16 to the financial statements.

There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net loss for the financial year	(1,583)	(3,049)

DIVIDENDS

No dividend has been paid or declared since 31 March 2013. The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2014.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

TREASURY SHARES

During the financial year, the Company did not effect any share buyback. Details of the treasury shares purchased in previous financial years and held by the Company as at 31 March 2014 are set out in Note 28 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The Directors who have held office during the financial year since the date of the last report are:

Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar, Chairman	
Dato' Kok Wee Kiat	
Y.M. Tengku Yunus Kamaruddin	
Paul Allen Stadnikia	
Shashi Kant Maudgal	
Vishal Rao	(Appointed with effect from 1 June 2013)
Emilio Stefano Lorenzo Braghi	(Appointed with effect from 27 June 2013)
Thomas Felix Boney	(Resigned with effect from 1 June 2013)

In accordance with Article 92(A) of the Company's Articles of Association, Mr. Shashi Kant Maudgal retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Dato' Kok Wee Kiat and Y.M. Tengku Yunus Kamaruddin retire at the forthcoming Annual General Meeting and offer themselves for re-appointment in accordance with Section 129 of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits as disclosed in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares of the Company are as follows:

	Number of ordinary shares of RM1 each in the Company			
	At 1.4.2013	Acquired	Sold	At 31.3.2014
Y.M. Tengku Yunus Kamaruddin	114,500	-	-	114,500
Vishal Rao	-	56,000	-	56,000

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there are no known bad debts and that provision need not to be made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would necessitate the writing off of bad debts or the provision for doubtful debts; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company of the Company is Novelis Inc., a company incorporated in Canada, while the ultimate holding company is Hindalco Industries Limited, a company incorporated in India.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 May 2014.

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR
DIRECTOR

VISHAL RAO
DIRECTOR

Bukit Raja, Klang

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Group 2014 RM'000	Group 2013 RM'000
Revenue	7	259,169	288,299
Other operating income	8	1,063	717
Changes in inventories of raw materials, work in progress and finished goods		(1,409)	244
Raw materials and consumables used		(189,329)	(224,744)
Staff costs	10	(26,883)	(24,558)
Utilities and fuel		(15,541)	(14,948)
Depreciation of property, plant and equipment		(12,357)	(12,697)
Upkeep, repairs and maintenance of assets		(6,224)	(6,713)
Technical fees		(1,374)	(550)
(Allowance)/Writeback of allowance for inventory writedown		(1,276)	101
Environmental costs		(643)	(732)
Other operating expenses		(7,493)	(8,333)
Loss from operations before tax	9	(2,297)	(3,914)
Tax credit	12	714	951
Loss for the financial year		(1,583)	(2,963)
Other comprehensive income:			
Items that will not be classified subsequently to profit or loss			
Actuarial losses/(gains) on retirement benefit plan	26	(223)	34
Total comprehensive loss for the financial year		(1,806)	(2,929)
Attributable to:			
Shareholders of the Company		(1,806)	(2,929)
Loss per share:			
- basic (sen)	13(a)	(1.20)	(2.24)
- diluted (sen)	13(b)	(1.20)	(2.24)

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

		Company	
	Note	2014 RM'000	2013 RM'000
Revenue	7	250,139	280,392
Other operating income	8	2,365	1,884
Changes in inventories of raw materials, work in progress and finished goods		(2,810)	1,784
Raw materials and consumables used		(190,396)	(226,800)
Staff costs	10	(24,245)	(22,202)
Utilities and fuel		(13,857)	(13,646)
Depreciation of property, plant and equipment		(10,672)	(11,151)
Upkeep, repairs and maintenance of assets		(5,349)	(5,774)
Technical fees		(854)	(331)
(Allowance)/Writeback of allowance for inventory writedown		(1,103)	210
Environmental costs		(496)	(507)
Other operating expenses		(6,915)	(7,796)
Loss from operations before tax	9	(4,193)	(3,937)
Tax credit	12	1,144	847
Loss for the financial year		(3,049)	(3,090)
Other comprehensive income:			
Items that will not be classified subsequently to profit or loss			
Actuarial losses on retirement benefit plan	26	(236)	(7)
Total comprehensive loss for the financial year		(3,285)	(3,097)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	89,596	93,791	78,820	81,715
Subsidiaries	16	-	-	26,860	26,860
		89,596	93,791	105,680	108,575
CURRENT ASSETS					
Inventories	17	44,225	46,504	36,682	40,279
Trade receivables	18	23,490	35,443	10,097	20,433
Amounts due from related companies	19	171	87	9,731	11,338
Other receivables and prepayments	20	911	583	865	513
Tax recoverable		450	961	305	881
Derivative financial instruments	21	371	108	103	50
Deposit, cash and bank balances	22	55,701	36,068	40,091	21,457
		125,319	119,754	97,874	94,951
LESS: CURRENT LIABILITIES					
Trade payables	23	16,925	14,076	15,011	11,848
Other payables and accruals	24	7,431	6,644	6,404	5,658
Amounts due to related companies	25	999	409	2,251	1,735
		25,355	21,129	23,666	19,241
NET CURRENT ASSETS		99,964	98,625	74,208	75,710
LESS: NON-CURRENT LIABILITIES					
Provision for retirement benefits	26	6,333	6,038	5,609	5,360
Deferred taxation	27	6,369	7,714	4,779	6,140
		12,702	13,752	10,388	11,500
		176,858	178,664	169,500	172,785
CAPITAL AND RESERVES					
Share capital	28	134,331	134,331	134,331	134,331
Share premium		4,113	4,113	4,113	4,113
Other reserves	29	1,670	1,670	1,670	1,670
Revenue reserve	30	36,744	38,550	29,386	32,671
Total equity		176,858	178,664	169,500	172,785

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

		Attributable to shareholders of the Company					
		Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
	Note	No. of shares '000	Nominal value RM'000	Share premium RM'000	Other reserves RM'000	Revenue reserve RM'000	Total RM'000
At 1 April 2013		134,331	134,331	4,113	1,670	38,550	178,664
Total comprehensive loss:							
Loss for the financial year		-	-	-	-	(1,583)	(1,583)
Actuarial losses on retirement benefit plan	26	-	-	-	-	(223)	(223)
Total comprehensive loss for the financial year		-	-	-	-	(1,806)	(1,806)
At 31 March 2014		134,331	134,331	4,113	1,670	36,744	176,858
At 1 April 2012		134,331	134,331	4,113	1,670	46,438	186,552
Total comprehensive loss:							
Loss for the financial year		-	-	-	-	(2,963)	(2,963)
Actuarial gains on retirement benefit plan	26	-	-	-	-	34	34
Total comprehensive loss for the financial year		-	-	-	-	(2,929)	(2,929)
Transactions with owners:							
Dividend for the financial year ended:							
- 31 March 2013 (paid)	14	-	-	-	-	(4,959)	(4,959)
At 31 March 2013		134,331	134,331	4,113	1,670	38,550	178,664

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
		No. of shares '000	Nominal value RM'000	Share premium RM'000	Other reserves RM'000	Revenue reserve RM'000	Total RM'000
At 1 April 2013		134,331	134,331	4,113	1,670	32,671	172,785
Total comprehensive loss:							
Loss for the financial year		-	-	-	-	(3,049)	(3,049)
Actuarial losses on retirement benefit plan	26	-	-	-	-	(236)	(236)
Total comprehensive loss for the financial year		-	-	-	-	(3,285)	(3,285)
At 31 March 2014		134,331	134,331	4,113	1,670	29,386	169,500
At 1 April 2012		134,331	134,331	4,113	1,670	40,727	180,841
Total comprehensive loss:							
Loss for the financial year		-	-	-	-	(3,090)	(3,090)
Actuarial losses on retirement benefit plan	26	-	-	-	-	(7)	(7)
Total comprehensive loss for the financial year		-	-	-	-	(3,097)	(3,097)
Transactions with owners:							
Dividend for the financial year ended:							
- 31 March 2013 (paid)	14	-	-	-	-	(4,959)	(4,959)
At 31 March 2013		134,331	134,331	4,113	1,670	32,671	172,785

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss for the financial year		(1,583)	(2,963)	(3,049)	(3,090)
Adjustments for:					
Net fair value gain on currency forwards		(263)	(319)	(53)	(157)
Property, plant and equipment					
- depreciation		12,357	12,697	10,672	11,151
- (gain)/loss on disposal		(188)	1,216	(188)	1,216
Provision for retirement benefits		811	623	765	601
Allowance/(Writeback of allowance) for inventory writedown		1,276	(101)	1,103	(210)
Unrealised foreign exchange loss		111	234	7	99
Interest income		(844)	(716)	(523)	(383)
Tax credit		(714)	(951)	(1,144)	(847)
		10,963	9,720	7,590	8,380
Decrease/(increase) in working capital:					
Inventories		1,003	(220)	2,494	(1,026)
Receivables		11,550	(118)	9,991	(2,719)
Payables		4,192	2,495	4,234	2,183
Balances with related companies		506	514	2,123	(95)
Cash from operations		28,214	12,391	26,432	6,723
Tax refunded		790	695	790	503
Tax paid		(910)	(960)	(431)	(880)
Retirement benefits paid		(1,123)	(367)	(1,123)	(367)
Net cash from operating activities		26,971	11,759	25,668	5,979
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- purchases		(8,701)	(8,399)	(8,098)	(6,501)
- proceeds from disposal		555	141	555	141
Interest income received		844	716	523	383
Fixed deposit placement		-	(233)	-	(233)
Net cash used in investing activities		(7,302)	(7,775)	(7,020)	(6,210)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid to shareholders		-	(4,959)	-	(4,959)
Net cash used in financing activity		-	(4,959)	-	(4,959)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		19,669	(975)	18,648	(5,190)
FOREIGN EXCHANGE DIFFERENCES		(36)	3	(14)	3
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		35,835	36,807	21,224	26,411
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	22	55,468	35,835	39,858	21,224

NON-CASH TRANSACTION

The principal non-cash transaction during the financial year is the acquisition of plant and equipment by the Group and the Company of which RM1,168,000 (2013: RM1,340,000) and RM1,094,000 (2013: RM1,048,000) (Note 24) respectively remain as payable at the end of the financial year.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

1 GENERAL INFORMATION

The principal activity of the Company is the manufacturing and trading of aluminium sheet and foil products. The principal activities of the subsidiaries are shown in Note 16 to the financial statements.

The immediate holding company of the Company is Novelis Inc., a company incorporated in Canada, while the ultimate holding company is Hindalco Industries Limited, a company incorporated in India.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is as follows:

No. 3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang
Selangor Darul Ehsan

2 BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

(a) New accounting standards, amendments and improvements to published standards and interpretations that are applicable to the Group and the Company and effective for the current financial year are as follows:

- 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 standards do not have a material impact to the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

(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 year:

(i) Financial year beginning on/after 1 April 2014

- Amendments to MFRS 10 "Consolidated Financial Statements", MFRS 12 "Disclosures of Interests in Other Entities" and MFRS 127 "Separate Financial Statements"
- Amendments to MFRS 132 "Financial Instruments: Presentation"
- Amendments to MFRS 136 "Impairment of Assets"

(ii) Effective date yet to be determined by Malaysian Accounting Standards Board

- MFRS 9 "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities"

The initial application of the standards and amendments to standards will not have a material impact to the financial statements of the Group and the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to the financial year presented, unless otherwise stated.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated, Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with Group accounting policies.

(b) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are initially stated at cost and are subsequently stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the profit or loss.

Leasehold land is amortised over the tenure of the lease of 99 years. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of such assets over their estimated useful lives at the following average annual rates:

Buildings	3%
Plant and machinery	4% - 20%
Equipment and vehicles	10% - 33%

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

Depreciation on projects-in-progress commences when the assets are ready for their intended use.

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting period.

At each reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(d) on impairment of non-financial assets.

(d) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. In respect of other assets, any subsequent increase in the recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(e) Inventories

Inventories, which include spares and operating supplies, raw materials, work-in-progress, supplies and finished goods, are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The costs of work-in-progress and finished goods comprises raw materials, direct labour and related factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(f) Trade receivables

Trade receivables are amounts due from customers for sale of aluminium products in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts.

(h) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise they are classified as non current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'amounts due from subsidiary and related companies', 'receivables' (excluding prepayment) and cash and cash equivalents' in the statements of financial position.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement - Gains and losses

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (Continued)

(iv) Subsequent measurement - Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (Continued)

(v) Derecognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(j) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Group does not have any financial liabilities that are classified as fair value through profit or loss.

The Group's other financial liabilities include trade and other payables and amounts due to subsidiary and related companies. Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(m) Employee benefits

(i) Short-term employee benefits

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment pension benefits

The Group has various post-employment pension benefit schemes in accordance with local conditions and practices in the country in which it operates. These benefits plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

<u>Defined contribution plan</u>

The Group contributes to the Employees Provident Fund, the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (Continued)

(ii) Post-employment pension benefits (continued)

Defined benefit plan

The Group operates an unfunded defined benefit plan, taking account of the recommendations of independent qualified actuaries. The accounting cost for the retirement benefits is assessed using the projected unit credit method. Under this method, the cost for providing the benefits is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the retirement plan every year.

The pension obligation is measured at the present value of the estimate future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

(n) Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Group's subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Current and deferred income taxes (Continued)

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(o) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(p) Contingent liabilities and contingent assets

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(q) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period. Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividend distribution

Distributions to holders of an equity instrument are debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(iii) Purchase of own shares

Where the Company or its subsidiaries purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs, net of tax, is included in equity attributable to the Company's equity holders as treasury shares until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Company's equity holders.

(s) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of returns and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. The amount of the revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental income is recognised over the term of the lease on a straight-line basis.

Interest income is recognised using the effective interest method.

(t) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns and is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments. The Group is solely involved in the manufacturing and trading of aluminium products. Geographical segments provide products or services from within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue and assets are those amounts resulting from the operating activities of the segment that are directly attributable to the segment and the relevant portion that can be allocated to the segment on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and fair value. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, a comprehensive insurance programme and adherence to Group financial risk management policies. Senior management regularly reviews these risks and approves the treasury policies, which covers the management of these risks. The Board is updated on all issues arising in the management of such risks.

The Group uses financial instruments such as forward foreign exchange contracts to cover certain exposures. It does not trade in financial instruments.

Details of financial risks faced by the Group are further described as follows:

(a) Foreign currency exchange risk

The Group enters into currency forwards in the normal course of business to manage its exposure against foreign currency fluctuations on transactions denominated in foreign currencies. In general, the Group's policy is to enter into currency forwards for anticipated sales and purchases in foreign currencies. Refer to Note 21 to the financial statements for further details.

The Group does not apply hedge accounting.

The Group is primarily exposed to United States Dollar ("USD") for its purchases of raw materials including aluminium ingots and sales of finished products.

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities for functional currency in RM are as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

At 31 March 2014	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
FINANCIAL ASSETS				
Trade receivables	14,902	103	-	15,005
Cash and cash equivalents	9,289	26	7	9,322
Amounts due from related companies	170	-	-	170
	24,361	129	7	24,497
LESS: FINANCIAL LIABILITIES				
Trade payables	(9,036)	(20)	(50)	(9,106)
Other payables and accruals	(767)	-	-	(767)
Amounts due to related companies	(999)	-	-	(999)
	(10,802)	(20)	(50)	(10,872)
NET FINANCIAL ASSETS/(LIABILITIES)	13,559	109	(43)	13,625
LESS: CURRENCY FORWARDS	(24,730)	-	-	(24,730)
NET CURRENCY EXPOSURE	(11,171)	109	(43)	(11,105)

The Company's exposure to foreign currencies in respect of its financial assets and financial liabilities for functional currency in RM are as follows:

At 31 March 2014	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
FINANCIAL ASSETS				
Trade receivables	4,238	103	-	4,341
Cash and cash equivalents	3,623	26	7	3,656
Amounts due from related companies	170	-	-	170
	8,031	129	7	8,167
LESS: FINANCIAL LIABILITIES				
Trade payables	(8,990)	(20)	-	(9,010)
Other payables and accruals	(703)	-	-	(703)
Amounts due to related companies	(999)	-	-	(999)
	(10,692)	(20)	-	(10,712)
NET FINANCIAL ASSETS/(LIABILITIES)	(2,661)	109	7	(2,545)
LESS: CURRENCY FORWARDS	(8,096)	-	-	(8,096)
NET CURRENCY EXPOSURE	(10,757)	109	7	(10,641)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities for functional currency in RM are as follows:

At 31 March 2013	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
FINANCIAL ASSETS				
Trade receivables	20,028	203	-	20,231
Cash and cash equivalents	4,159	25	4	4,188
Amounts due from related companies	87	-	-	87
	24,274	228	4	24,506
LESS: FINANCIAL LIABILITIES				
Trade payables	(5,566)	(37)	(98)	(5,701)
Other payables and accruals	(660)	(45)	(29)	(734)
Amounts due to related companies	(409)	-	-	(409)
	(6,635)	(82)	(127)	(6,844)
NET FINANCIAL ASSETS/(LIABILITIES)	17,639	146	(123)	17,662
LESS: CURRENCY FORWARDS	(20,858)	-	-	(20,858)
NET CURRENCY EXPOSURE	(3,219)	146	(123)	(3,196)

The Company's exposure to foreign currencies in respect of its financial assets and financial liabilities for functional currency in RM are as follows:

At 31 March 2013	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
FINANCIAL ASSETS				
Trade receivables	8,754	203	-	8,957
Cash and cash equivalents	4,041	25	4	4,070
Amounts due from related companies	87	-	-	87
	12,882	228	4	13,114
LESS: FINANCIAL LIABILITIES				
Trade payables	(5,550)	(37)	-	(5,587)
Other payables and accruals	(660)	(45)	(29)	(734)
Amounts due to related companies	(409)	-	-	(409)
	(6,619)	(82)	(29)	(6,730)
NET FINANCIAL ASSETS/(LIABILITIES)	6,263	146	(25)	6,384
LESS: CURRENCY FORWARDS	(9,495)	-	-	(9,495)
NET CURRENCY EXPOSURE	(3,232)	146	(25)	(3,111)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's and the Company's net loss after tax to 5% (2013: 5%) strengthening of USD and SGD, respectively against the RM, with all other variables, in particular interest rates, being held constant.

	Increase/(decrease)	
	2014	2013
	RM'000	RM'000
Group		
USD against RM	419	121
SGD against RM	(4)	(5)
Company		
USD against RM	403	121
SGD against RM	(4)	(5)

A 5% weakening of the above currencies against the RM would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

The Group's foreign currency exchange risk management seeks to protect cash flows and shareholders value by limiting the impact from adverse exchange movement whilst sharing in the benefit from favourable movements. Aside from natural hedges, the Group also enters into forward foreign currency exchange contracts to limit their exposure on foreign currency receivables and payables.

As at reporting date, the exposure on foreign currency receivables and payables are substantially covered by natural hedges or forward foreign currency exchange contracts. As a result, the net foreign currency exchange exposure not covered by hedges is not expected to have a significant impact on the financial statements of the Group.

(b) Interest rate risk

Interest rate risk arises mainly from the Group's short-term deposits. The Group's short-term deposits are placed with the financial institutions at prevailing interest rates and are not significant to the financial statements.

(c) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control credit risk by setting counterparty limits as well as credit terms and ensuring that sales of products and services are made to customers with an acceptable credit history. Credit facilities are accorded after formal review and have to be authorised by different levels of management according to the quantum of credit subject to approval. Loading in of orders for production as well as shipment of finished goods are subject to credit checks.

The Group has no significant concentration of credit risks except for trade receivables. In the opinion of the Directors, the credit risk in relation to trade receivables is not significant and is expected to be recovered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

As the deposits are placed with major financial institutions in Malaysia, the Directors are of the view that the credit risk associated with these major financial institutions is minimal.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of that class of financial instruments presented on the statement of financial position. The Group's major classes of financial assets are bank deposits, trade and other receivables and related party balances.

Details of the financial assets are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Not past due	77,367	67,764	59,331	51,679
Past due not impaired				
- 0 to 2 months	2,229	4,060	800	1,747
	79,596	71,824	60,131	53,426

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit ratings as determined by international credit rating agencies. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely. Trade and other receivables, and amounts due from subsidiary and related companies that are neither past due nor impaired are substantially companies with good collection track records with the Group and the Company.

Financial assets that are past due but not impaired

There are no other financial assets in the Group and the Company that are past due but not impaired except for certain trade receivables of the Group and the Company as set out below. The Group and the Company have not impaired these amounts as these amounts are expected to be recovered within 12 months from the reporting date.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	2,229	4,060	800	1,747

Receivables that are past due but not impaired are principally less than 60 days past due. No impairment has been made on these amounts as the Group is closely monitoring these receivables and they have no prior history of bad or doubtful debts. No allowance for impairment has been made in respect of these receivables in the current and previous financial year, hence the movement in allowance for impairment is not presented.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

At reporting date, the Group and the Company held cash and cash equivalents of RM55,468,000 (2013: RM35,835,000) and RM39,858,000 (2013: RM21,224,000) respectively that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 1 year equal their carrying amount as the impact of discounting is not significant.

	Due within one year	
	2014	2013
GROUP	**RM'000**	**RM'000**
FINANCIAL LIABILITIES		
Trade payables	(16,925)	(14,076)
Other payables and accruals	(7,171)	(5,777)
Amounts due to related companies	(999)	(409)
	(25,095)	(20,262)
COMPANY		
FINANCIAL LIABILITIES		
Trade payables	(15,011)	(11,848)
Other payables and accruals	(6,144)	(4,791)
Amounts due to related companies	(2,251)	(1,735)
	(23,406)	(18,374)

The table below analyses the Group's and the Company's derivative financial instruments, for which contractual maturities are essential for an understanding of the timing of the cash flows, into relevant maturity groupings based on the remaining financial period from the reporting date to the contractual maturity date.

	Due within one year	
	2014	2013
GROUP	**RM'000**	**RM'000**
GROSS-SETTLED CURRENCY FORWARDS		
- Receipts	24,730	20,858
- Payments	(24,359)	(20,750)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

	Due within one year	
	2014	2013
COMPANY	RM'000	RM'000
GROSS-SETTLED CURRENCY FORWARDS		
- Receipts	8,096	9,495
- Payments	(7,993)	(9,445)

(e) Fair Value

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables (including non-trade amounts due (to)/from subsidiary and related companies).

Fair value hierarchy

Disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 March 2014:

	Level 1	Level 2	Level 3	Total
GROUP	RM'000	RM'000	RM'000	RM'000
ASSETS				
Derivative financial instruments	-	371	-	371

	Level 1	Level 2	Level 3	Total
COMPANY	RM'000	RM'000	RM'000	RM'000
ASSETS				
Derivative financial instruments	-	103	-	103

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair Value (Continued)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 March 2013:

GROUP	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
ASSETS				
Derivative financial instruments	-	108	-	108

COMPANY	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
ASSETS				
Derivative financial instruments	-	50	-	50

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial positions are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Impairment of Property, Plant and Equipment

The Group assesses impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is higher than the recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

Projected future cash flows used in impairment testing of property, plant and equipment are based on Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions and other available information.

The assumptions used, results and impact of possible change in the key assumptions of the impairment assessment of the property, plant and equipment are disclosed in Note 15 to the financial statements.

(b) Income Taxes

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. When the final tax outcome is different from the amount that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

6 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders and issue new shares or buy back issued shares.

The Group considers that the capital of the Group relates to the equity and this remain unchanged from the prior year.

7 REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Sale of finished goods	258,622	288,280	249,599	280,373
Sale of scrap and tolling charges	547	19	540	19
	259,169	288,299	250,139	280,392

Revenue of the Group and Company represents the aggregate invoiced value of goods sold to customers, net of trade allowances and discounts and after eliminating sales within the Group.

8 OTHER OPERATING INCOME

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest income on				
- short-term deposits	844	675	523	342
- trade receivables	-	41	-	41
Gain on disposal of property, plant and equipment	188	-	188	-
Management service fees	-	-	888	888
Rental income	-	-	744	612
Miscellaneous income	31	1	22	1
	1,063	717	2,365	1,884

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

9 LOSS FROM OPERATIONS BEFORE TAX

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loss from operations before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- current year	199	199	141	144
- under provision in prior year	2	5	2	5
- other services	22	21	16	15
Hire of machinery and equipment	463	464	407	407
(Gain)/Loss on disposal of property, plant and equipment	(188)	1,216	(188)	1,216
Loss/(Gain) on foreign exchange				
- realised	(107)	(827)	183	(472)
- unrealised	111	234	7	99
Net fair value gain on currency forwards	(263)	(319)	(53)	(157)

The cost of goods sold for the Group and the Company recognised as an expense during the financial year amounted to RM251,310,000 and RM245,235,000 respectively (2013: RM282,303,000 and RM275,190,000).

10 STAFF COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	22,973	19,365	20,627	17,299
Defined contribution retirement plan	2,049	2,015	1,924	1,867
Defined benefit retirement plan	588	656	529	594
Other employee benefits	1,273	2,522	1,165	2,442
	26,883	24,558	24,245	22,202

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

11 DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by Directors of the Group and Company during the financial year are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-executive Directors:				
- fees	136	136	136	136
Executive Directors:				
- salaries and bonus	734	1,409	734	1,409
- estimated monetary value of benefits-in-kind	585	972	585	972
	1,319	2,381	1,319	2,381
	1,455	2,517	1,455	2,517

The Executive Directors' salaries and bonus are included in staff costs in the profit or loss for the financial year.

12 TAX CREDIT

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax				
Current year	457	-	127	-
Under provision in prior years	174	99	90	99
	631	99	217	99
Deferred taxation (Note 27)				
Origination and reversal of temporary differences	(1,345)	(1,050)	(1,361)	(946)
	(1,345)	(1,050)	(1,361)	(946)
Tax credit	(714)	(951)	(1,144)	(847)

12 TAX CREDIT (CONTINUED)

The explanation of the relationship between tax credit and loss before tax is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss before tax	(2,297)	(3,914)	(4,193)	(3,937)
Tax calculated at the Malaysian tax rate of 25% (2013: 25%)	(574)	(979)	(1,048)	(984)
Tax effects of:				
- expenses not deductible for tax purposes	462	169	394	177
- double deduction claims	(70)	(149)	(16)	(54)
- change in future applicable income tax rate	(317)	-	(254)	-
- under provision in prior years	174	99	90	99
- under recognition of deductible temporary differences in prior years	(389)	(91)	(310)	(85)
Tax credit	(714)	(951)	(1,144)	(847)

13 LOSS PER SHARE

(a) Basic Loss Per Share

Basic loss per share is calculated by dividing the Group's net loss/profit attributable to shareholders for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares.

	Group	
	2014	2013
Net loss attributable to shareholders (RM'000)	(1,583)	(2,963)
Weighted average number of ordinary shares in issue ('000)	132,252	132,252
Basic loss per share (sen)	(1.20)	(2.24)

(b) Diluted Earnings Per Share

	Group	
	2014	2013
Diluted earnings per share (sen)	(1.20)	(2.24)

The Group does not have any dilutive potential ordinary shares in the current and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

14 DIVIDENDS

	Group and Company			
	2014		2013	
	Dividends per share Sen	Amount of dividends, net of tax RM'000	Dividends per share Sen	Amount of dividends, net of tax RM'000
INTERIM DIVIDENDS				
Financial year ended 31 March 2013				
- paid on 15 August 2012, less 25% tax	-	-	5.0	4,959
Recognised as distribution to ordinary equity holders of the Company during the financial year	-	-	5.0	4,959

15 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in -progress RM'000	Total RM'000
2014						
At 1 April 2013	14,249	9,900	65,573	2,472	1,597	93,791
Additions	-	-	39	769	7,721	8,529
Disposal	-	-	(52)	(315)	-	(367)
Reclassifications	-	126	5,007	1,184	(6,317)	-
Depreciation charge	(189)	(952)	(10,263)	(953)	-	(12,357)
At 31 March 2014	14,060	9,074	60,304	3,157	3,001	89,596
At 31 March 2014						
Cost	20,000	26,898	271,324	8,691	3,001	329,914
Accumulated depreciation	(5,940)	(17,824)	(210,895)	(5,534)	-	(240,193)
Accumulated impairment losses	-	-	(125)	-	-	(125)
Net carrying amount	14,060	9,074	60,304	3,157	3,001	89,596
2013						
At 1 April 2012	14,438	10,543	68,270	1,381	4,982	99,614
Additions	-	-	11	1,312	6,907	8,230
Disposal	-	-	(1,293)	(63)	-	(1,356)
Reclassifications	-	259	9,669	364	(10,292)	-
Depreciation charge	(189)	(902)	(11,084)	(522)	-	(12,697)
At 31 March 2013	14,249	9,900	65,573	2,472	1,597	93,791
At 31 March 2013						
Cost	20,000	27,350	268,827	8,045	1,597	325,819
Accumulated depreciation	(5,751)	(17,450)	(203,129)	(5,573)	-	(231,903)
Accumulated impairment losses	-	-	(125)	-	-	(125)
Net carrying amount	14,249	9,900	65,573	2,472	1,597	93,791

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in -progress RM'000	Total RM'000
2014						
At 1 April 2013	14,249	9,900	53,678	2,377	1,511	81,715
Additions	-	-	-	720	7,424	8,144
Disposal	-	-	(52)	(315)	-	(367)
Reclassifications	-	126	4,904	1,099	(6,129)	-
Depreciation charge	(189)	(952)	(8,621)	(910)	-	(10,672)
At 31 March 2014	14,060	9,074	49,909	2,971	2,806	78,820
At 31 March 2014						
Cost	20,000	26,898	233,132	8,173	2,806	291,009
Accumulated depreciation	(5,940)	(17,824)	(183,223)	(5,202)	-	(212,189)
Net carrying amount	14,060	9,074	49,909	2,971	2,806	78,820
2013						
At 1 April 2012	14,438	10,543	58,227	1,337	3,637	88,182
Additions	-	-	11	1,271	4,758	6,040
Disposal	-	-	(1,293)	(63)	-	(1,356)
Reclassifications	-	259	6,289	336	(6,884)	-
Depreciation charge	(189)	(902)	(9,556)	(504)	-	(11,151)
At 31 March 2013	14,249	9,900	53,678	2,377	1,511	81,715
At 31 March 2013						
Cost	20,000	27,350	230,777	7,660	1,511	287,298
Accumulated depreciation	(5,751)	(17,450)	(177,099)	(5,283)	-	(205,583)
Net carrying amount	14,249	9,900	53,678	2,377	1,511	81,715

Impairment assessment of the company's buildings, plant and machinery

Based on management's assessment, the recoverable amount of buildings, plant and machinery as at 31 March 2014 of the Company, based on value-in-use ("VIU") is RM73.5 million, which is in excess of its carrying amount of RM59.0 million by RM14.5 million. On this basis, management is of the view that no impairment is necessary with respect to buildings, plant and machinery.

(a) Key assumptions used in the VIU calculation

The VIU calculation applied a discounted cash flow model using cash flow projections based on an approved 5-year budget. These projections reflect management's best estimate of the future results based on past experience and future outlook.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment Assessment of the Company's Buildings, Plant and Machinery (Continued)

(a) Key assumptions used in the VIU calculation (Continued)

The key estimates used in the cash flow projections are the selling prices of the products, key components of the raw material prices and the weighted average cost of capital specific to the Company's industry. The key assumptions of the projections are as follows:

- Sales volumes were anticipated to be running at capacity based on historical trend and expected forecast sales.
- Terminal value based on 15 years beyond the 5-year budget.
- A discount rate of 7% (2013: 7%) has been applied to the cash flow projections.

(b) Impact of possible change in key assumptions

The Company's impairment assessment includes an assessment of changes in key assumptions that would impact the financial statements as follows:

- If the discount rate used was 8%, the recoverable amount would be lower by RM5.8 million.
- If the selling price differs by 2% from management's estimates, the recoverable amount would be higher or lower by RM4.6 million.
- If the sales volume differs by 2% from management's estimates, the recoverable amount would be higher or lower by RM3.3 million.

16 SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	26,860	26,860

The details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation	Company's effective interest 2014 %	Company's effective interest 2013 %
Alcom Nikkei Specialty Coatings Sdn Bhd	Manufacturing and trading of pre-coated finstocks for use in air-conditioners	Malaysia	100	100
AL DOTCOM Sdn Bhd	Dormant	Malaysia	100	100

17 INVENTORIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Raw materials	3,553	5,736	2,507	5,123
Work in progress	22,940	23,822	20,626	21,657
Finished goods	6,687	5,138	4,746	4,046
Operating supplies and spare parts	11,045	11,808	8,803	9,453
	44,225	46,504	36,682	40,279

18 TRADE RECEIVABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	23,490	35,443	10,097	20,433
Less: Allowance for impairment	-	-	-	-
	23,490	35,443	10,097	20,433

Credit terms of trade receivables of the Group and the Company range from 7 days to 75 days (2013: 7 days to 75 days).

19 AMOUNTS DUE FROM RELATED COMPANIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade				
Amount due from:				
- subsidiary company	-	-	9,151	10,946
Non-trade				
Amounts due from:				
- subsidiary company	-	-	409	305
- other related companies	171	87	171	87
	171	87	580	392
Total	171	87	9,731	11,338

The trade balances due from a subsidiary company are unsecured, interest free and have credit terms ranging from 30 to 60 days (2013: 30 to 60 days). The non-trade balances due from other related companies are unsecured, interest free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

20 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Prepayments and advances	677	357	653	315
Deposits	199	195	181	176
Other receivables	35	31	31	22
Total	911	583	865	513

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2014		2013	
	Notional amount RM'000	Fair value RM'000	Notional amount RM'000	Fair value RM'000
Assets				
Forward foreign currency exchange contracts	24,730	371	20,858	108

	Company			
	2014		2013	
	Notional amount RM'000	Fair value RM'000	Notional amount RM'000	Fair value RM'000
Assets				
Forward foreign currency exchange contracts	8,096	103	9,495	50

Forward foreign exchange contracts

Aside from using natural hedges, the Group enters into forward foreign currency exchange contracts with a licensed bank to limit its exposure on foreign currency receivables and payables. Under the forward contracts, the currency to be received is Ringgit Malaysia and the currency to be paid is US Dollar. The maturity period of the contracts range between 1 to 2 months.

The fair value of the forward foreign exchange contracts of the Group and the Company which has been recognised at the reporting date was a surplus net position of RM371,000 (2013: RM108,000) and RM103,000 (2013: RM50,000) respectively. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date.

22 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits with licensed banks	45,117	30,549	35,742	16,740
Cash and bank balances	10,584	5,519	4,349	4,717
	55,701	36,068	40,091	21,457
Less: Restricted cash and equivalents*				
Deposit with licensed bank	(233)	(233)	(233)	(233)
	55,468	35,835	39,858	21,224

* Restricted cash and cash equivalents refer to funds set aside for purposes of payment to holders of cumulative redeemable preference shares. The preference shares had been redeemed by the Company in prior years.

The weighted average interest rates on year end deposit placements are as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Deposits with licensed banks	2.85	2.76	2.85	2.78

The deposits of the Group and the Company have maturity periods which range from overnight to 184 days (2013: overnight to 184 days). Bank balances are deposits held at call with banks and are non-interest bearing.

23 TRADE PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	13,371	10,909	11,726	9,066
Trade related accruals	3,554	3,167	3,285	2,782
	16,925	14,076	15,011	11,848

Credit terms of trade payables granted to the Group and the Company range from 7 days to 90 days (2013: 7 days to 90 days) from month end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

24 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Plant and equipment suppliers payable	1,168	1,340	1,094	1,048
Payroll related accruals				
- provision for retirement benefits (Note 26)	260	867	260	867
- others	4,057	2,257	3,774	2,133
Other accruals and sundry payables	1,946	2,180	1,276	1,610
	7,431	6,644	6,404	5,658

25 AMOUNTS DUE TO RELATED COMPANIES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade				
Amount due to a subsidiary company	-	-	1,052	1,326
Non-trade				
Amount due to a subsidiary company	-	-	200	-
Amounts due to other related companies	999	409	999	409
Total	999	409	2,251	1,735

The trade balances due to a subsidiary company are unsecured, interest free and have credit terms of 7 days to 30 days (2013: 7 days to 30 days). The non-trade balances due to a subsidiary company and other related companies are unsecured, interest free and have no fixed terms of repayment.

26 PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Defined benefit retirement plan				
At beginning of the year	6,905	6,649	6,227	5,993
Charged to the statement of comprehensive income*	811	623	765	601
Benefits paid	(1,123)	(367)	(1,123)	(367)
At end of the year	6,593	6,905	5,869	6,227

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

26 PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Represented by:				
Present value of unfunded obligations	6,593	6,905	5,869	6,227
Reflected on the statement of financial position as:				
Current (Note 24)	260	867	260	867
Non-current	6,333	6,038	5,609	5,360
	6,593	6,905	5,869	6,227

The movements in the present value of unfunded obligations are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Defined benefit retirement plan				
At beginning of the year	6,905	6,649	6,227	5,993
Current service cost	334	398	301	362
Interest cost	254	259	228	232
Actuarial losses/(gains)	223	(34)	236	7
Benefits paid	(1,123)	(367)	(1,123)	(367)
At end of the year	6,593	6,905	5,869	6,227

* The charge to the statement of comprehensive income is analysed as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current service cost	334	398	301	362
Interest cost	254	259	228	232
Actuarial losses/(gains)	223	(34)	236	7
	811	623	765	601

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

26 PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

The principal actuarial assumptions used in respect of the defined benefit retirement plan are as follows:

	Group and Company	
	2014	2013
	%	%
Discount rate	4.4	3.7
Expected average rate of salary increases	5.0	5.0

The Group operates an unfunded final salary defined benefit plan for its employees. Independent actuaries value the scheme every year using the projected unit credit actuarial cost method. The latest actuarial valuation was carried out on 31 March 2014.

The discount rate used is based on investment grade private debt securities with tenure approximating the tenure of the pension liability. The salary growth takes into account market factors such as inflation rate.

	2014	2013
	RM'000	RM'000
Group		
Present value of unfunded obligations	6,593	6,905
Experience loss/(gain) adjustment on plan liabilities	223	(34)
Company		
Present value of unfunded obligations	5,869	6,227
Experience loss adjustment on plan liabilities	236	7

27 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities:				
At start of year	7,714	8,764	6,140	7,086
Credited to statement of comprehensive income: (Note 12)				
- property, plant and equipment	(1,177)	(1,010)	(868)	(972)
- provisions and allowances	(168)	(40)	(493)	26
	(1,345)	(1,050)	(1,361)	(946)
At end of year	6,369	7,714	4,779	6,140

27 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	10,638	11,815	8,651	9,519
Offsetting	(4,269)	(4,101)	(3,872)	(3,379)
Deferred tax liabilities (after offsetting)	6,369	7,714	4,779	6,140
Deferred tax assets (before offsetting)				
- provisions and allowances	(4,269)	(4,101)	(3,872)	(3,379)
Offsetting	4,269	4,101	3,872	3,379
Deferred tax assets (after offsetting)	-	-	-	-

28 SHARE CAPITAL

	Group and Company	
	2014	2013
	RM'000	RM'000
Authorised:		
Ordinary shares of RM1.00 each		
At beginning/ end of the year	200,000	200,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning/ end of the year	134,331	134,331

Treasury shares

During the financial year ended 31 March 2014, the Company did not repurchase any of its issued share capital from the open market (2013: Nil). Shares repurchased are being held as treasury shares (Note 29) as allowed under Section 67A of the Companies Act, 1965. There was no resale or cancellation of treasury shares during the financial year. Treasury shares have no right to voting, dividends and participation in other distribution.

As at the date of reporting, of the total 134,330,848 (2013: 134,330,848) issued and fully paid ordinary shares, 2,079,000 (2013: 2,079,000) are held as treasury shares by the Company. The number of shares with voting rights in issued and fully paid share capital is 132,251,848 (2013: 132,251,848) ordinary shares of RM1.00 each.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

29 OTHER RESERVES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable:				
Capital redemption reserve	4,000	4,000	4,000	4,000
Treasury shares	(2,330)	(2,330)	(2,330)	(2,330)
	1,670	1,670	1,670	1,670

Capital redemption reserve

The capital redemption reserve was created upon the redemption of the cumulative redeemable preference shares of the Company in 1996.

30 REVENUE RESERVE

Under the single-tier system which came into effect from the year of assessment 2008, the Company is not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of the shareholders. The Company may continue to frank dividends until section 108 credits are exhausted or 31 December 2013 whichever is earlier unless the Company opts to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

The Company transitioned to the single-tier tax regime on 1 January 2014.

31 CAPITAL COMMITMENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements are as follows:				
- contracted	680	2,102	680	2,062
- not contracted	448	2,608	367	2,516
	1,128	4,710	1,047	4,578

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

In the normal course of business, the Group and the Company undertakes, on agreed terms and prices, a variety of transactions with related companies some of whom are shareholders or share common shareholders or share a common ultimate holding company. The material related party transactions between the Group and the Company and these entities are described below:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income				
Sales of finished goods to:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	109,595	104,883
- Hindalco Industries Limited, ultimate holding company	-	187	-	187
Management service fees from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	888	888
Rental income from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	744	612
Expenditure				
Purchases of scrap from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	8,814	9,823
- Novelis Korea Limited ULSAN PL, a related company incorporated in Korea	308	-	308	-
Technical service fees charged by				
- Novelis Inc., immediate holding company	1,311	497	854	331

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management remuneration

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include the Directors and certain members of senior management of the Group. The remuneration below is inclusive of home country salary and other benefit payments made to expatriate staff.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Key management remuneration:				
- salaries and bonus	2,195	3,164	1,586	2,453
- defined contribution retirement plan	70	76	70	76
- estimated monetary value of benefits-in-kind	750	1,257	671	1,186
	3,015	4,497	2,327	3,715

33 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The table below provides an analysis of the financial instruments by category.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loan and receivables				
Current				
Trade receivables	23,490	35,443	10,097	20,433
Amounts due from related companies	171	87	9,731	11,338
Other receivables (excluding prepayments and advances)	234	226	212	198
Cash and cash equivalents	55,701	36,068	40,091	21,457
	79,596	71,824	60,131	53,426
Financial assets at fair value value through profit or loss				
Derivative financial instruments	371	108	103	50
Other financial liabilities at amortised cost				
Current				
Trade payables	(16,925)	(14,076)	(15,011)	(11,848)
Other payables and accruals (excluding provision for retirement benefits)	(7,171)	(5,777)	(6,144)	(4,791)
Amounts due to related companies	(999)	(409)	(2,251)	(1,735)
	(25,095)	(20,262)	(23,406)	(18,374)

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Expenses, gains and losses on financial instruments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Derivatives				
Net fair value gain on currency forwards	(263)	(319)	(53)	(157)
Loan and receivables				
Interest income:				
- short term deposits	(844)	(675)	(523)	(342)
- trade receivables	-	(41)	-	(41)
	(844)	(716)	(523)	(383)

34 SEGMENT INFORMATION

Segmental reporting is not separately presented as the Group is principally engaged in the manufacturing and trading of aluminium products, which are substantially within a single operating segment. The Group operates primarily in Malaysia.

Revenue of the Group is derived from a single class of product.

For the purpose of resources allocation and performance assessment, the chief operating decision-maker reviews the profit from operation of the Group as disclosed in consolidated statement of comprehensive income.

All non-current assets of the Group are located in Malaysia, being the Group's country of domicile. The breakdown of the Group's external revenues based on the geographical location of the external customers is as follows:

	Revenue	
	2014 RM'000	2013 RM'000
Malaysia *	102,965	128,035
Asia	144,165	145,000
Other regions	12,039	15,264
	259,169	288,299

* Included in sales to Malaysian customers are sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM21,475,000 (2013: RM24,863,000).

Revenues of the Group of approximately RM53,706,000 (2013: RM50,305,000) are derived from a single external customer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONTINUED)

35 RECLASSIFICATION OF PRIOR FINANCIAL YEAR COMPARATIVES

Certain comparatives were reclassified or restated to better reflect the substance of the balances and to conform with current year's presentation.

The financial effects arising from the reclassifications are as follows:

Group	**As previously reported RM'000**	**Effect of reclassifications RM'000**	**As restated RM'000**
Statement of Comprehensive Income			
Staff cost	(24,524)	(34)	(24,558)
Actuarial gains on retirement benefit plan	-	34	34
Other operating expenses	(7,980)	(353)	(8,333)
Finance cost	(353)	353	-

Company	**As previously reported RM'000**	**Effect of reclassifications RM'000**	**As restated RM'000**
Statement of Comprehensive Income			
Staff cost	(22,209)	7	(22,202)
Actuarial losses on retirement benefit plan	-	(7)	(7)
Other operating expenses	(7,539)	(257)	(7,796)
Finance cost	(257)	257	-

The reclassifications are due to:

(a) the actuarial gains/(losses) on retirement benefit plan which are to be recognised in other comprehensive income in accordance to the requirements in Amendments to MFRS 119 "Employee Benefits"; and
(b) the finance cost mainly consists of bank charges and commitment fees.

36 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 May 2014.

37 SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 31 March 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained profits of the Company and its subsidiaries				
- Realised	46,861	49,239	25,418	29,341
- Unrealised	4,529	3,975	3,968	3,330
	51,390	53,214	29,386	32,671
Less: Consolidation adjustments	(14,646)	(14,664)	-	-
Retained profits as per financial statements	36,744	38,550	29,386	32,671

The disclosure of realised and unrealised profits above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar and Vishal Rao, two of the Directors of Aluminium Company of Malaysia Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 64 to 108 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with provisions of the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965.

The information set out in Note 37 to the financial statements have been prepared in accordance with the 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 Lisitng Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 May 2014.

**Y.A.M. TUNKU TAN SRI IMRAN
IBNI ALMARHUM TUANKU JA'AFAR
DIRECTOR**

**VISHAL RAO
DIRECTOR**

Bukit Raja, Klang

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Bernard William A/L William G. Gomez, the Officer primarily responsible for the financial management of Aluminium Company of Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 64 to 108 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

BERNARD WILLIAM A/L WILLIAM G. GOMEZ

Subscribed and solemnly declared by the abovenamed Bernard William A/L William G. Gomez at Bukit Raja in Malaysia on 21 May 2014 before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALUMINIUM COMPANY OF MALAYSIA BERHAD

(INCORPORATED IN MALAYSIA)
(COMPANY NO. 003859 U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Aluminium Company of Malaysia Berhad on pages 64 to 108, which comprise the statements of financial position as at 31 March 2014 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on Notes 1 to 36.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's and the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALUMINIUM COMPANY OF MALAYSIA BERHAD
(INCORPORATED IN MALAYSIA)
(COMPANY NO. 003859 U)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LEE TUCK HENG
(No. 2092/09/14 (J))
Chartered Accountant

Kuala Lumpur
21 May 2014

PROPERTY HELD BY THE GROUP
AS AT 31 MARCH 2014

Location	Description	Tenure	Land Area	Approximate Built up Area (sq.metre)	Age of Building (years)	Carrying Amount	Year of revaluation
No. 3, Persiaran Waja Kawasan Perindustrian Bukit Raja 41050 Klang Selangor Darul Ehsan	Leasehold Land and Buildings	99 years leasehold Expiring in year 2088	12.1 hectares	44,739 sq metre	Range from 23 to 32 years	RM23.1 million	1985

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2014

DISTRIBUTION TABLE A
As at 30 June 2014

CATEGORY	NO. OF HOLDERS	PERCENTAGE (%)	NO. OF SHARES	PERCENTAGE (%)
Less than 100	200	5.60	4,448	0.00
101 - 1,000	738	20.68	615,029	0.46
1,001 - 10,000	1797	50.35	8,703,924	6.58
10,001 - 100,000	747	20.93	21,555,168	16.30
100,001 - to less than 5% of issued shares	86	2.41	23,139,225	17.50
5% and above of issued shares	1	0.03	78,234,054	59.16
TOTAL	**3,569**	**100.00**	**132,251,848**	**100.00**

LIST OF DIRECTORS' SHAREHOLDINGS
As at 30 June 2014

NO	NAME	NO. OF SHARES	%
1	Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR	0	0.00
2	VISHAL RAO *56,000 shares held through own name*	56,000	0.04
3	DATO' KOK WEE KIAT	0	0.00
4	Y.M TENGKU YUNUS KAMARUDDIN *114,500 shares held through own name*	114,500	0.09
5	PAUL ALLEN STADNIKIA	0	0.00
6	SHASHI KANT MAUDGAL	0	0.00
7	EMILIO STEFANO LORENZO BRAGHI	0	0.00

LIST OF TOP 30 SHAREHOLDERS
AS AT 30 JUNE 2014

	Name and Address	NRIC / Registration No.	Shareholdings	%
1.	NOVELIS INC.	4260139	78,234,054	59.16
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KOK THYE	258939H	1,196,300	0.90
3.	LEE YU YONG @ LEE YUEN YING	491002-05-5312	1,033,500	0.78
4.	TOH KAM CHOY	2132334	1,029,000	0.78
5.	LIM KIAN HUAT	S0146959B	859,000	0.65

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2014 (CONTINUED)

LIST OF TOP 30 SHAREHOLDERS (CONTINUED)
AS AT 30 JUNE 2014

	Name and Address	NRIC / Registration No.	Shareholdings	%
6.	YEOH AH TU	510207-02-5265	742,200	0.56
7.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KOK THYE (E-SPI)	6464T	723,300	0.55
8.	ADDEEN CONSULTANCY & MANAGEMENT SDN. BHD	333030X	715,600	0.54
9.	CHONG KOK FAH	600422-01-5608	628,000	0.47
10.	YEOH KEAN HUA	381021-08-5229	564,000	0.43
11.	LIM KA EA	760410-10-5174	551,600	0.42
12.	TAY KAK CHOK	481005-04-5145	546,200	0.41
13.	WONG SOO CHAI @ WONG CHICK WAI	401214-05-5267	510,500	0.39
14.	LOH LOON TEIK SDN. BHD.	111479D	502,300	0.38
15.	TANG YET SIONG @ TANG YIK SIONG	310417-04-5049	489,500	0.37
16.	SING FOONG YIN	370109-71-5092	474,500	0.36
17.	LIEW KON MUN	600523-10-6795	463,100	0.35
18.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	47697U	445,500	0.34
19.	GOH BENG BENG	480818-07-5064	394,000	0.30
20.	WENTEL CORPORATION SDN. BHD.	587133V	384,000	0.29
21.	LIM BEE HOE	621108-06-5212	334,600	0.25
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD YEOH AH TU	258939H	317,000	0.24
23.	KHOR MEOW SIANG	560903-10-5731	302,500	0.23
24.	SEN AH KOW @ CHENG LIP KONG	470606-01-5415	300,000	0.23
25.	LOH TEIK CHYE @ LOH LOON TEIK	451101-07-5195	292,000	0.22
26.	LIM KUI HUA	500204-01-5556	290,000	0.22
27.	LIM SENG QWEE	390212-71-5145	226,100	0.17
28.	LIM BEE HOE	621108-06-5212	218,000	0.16
29.	MATANG HOLDINGS BERHAD	TEM38557	211,000	0.16
30.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PUA MENG HONG	24915H	210,000	0.16
TOTAL:			**93,187,354**	**70.46**

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FORM OF PROXY
FIFTY-THIRD ANNUAL GENERAL MEETING

Aluminium Company of Malaysia Berhad
(3859-U)

I/We, ____
(Full name in block capitals)

of ____
(Address)

being a Member/Members of Aluminium Company of Malaysia Berhad, hereby appoint ______________________

____
(Full name in block capitals)

of ____
(Address)

or failing him ____
(Full name in block capitals)

of ____.
(Address)

as my/our proxy to attend and vote for me/us on my/our behalf at the Fifty-Third Annual General Meeting of the Company to be held on Level 3, Atlanta East, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan at Wednesday, 27 August 2014 at 2.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

		FOR	AGAINST	ABSTAIN
Ordinary Resolution 1	Re-election of Mr. Shashi Kant Maudgal as Director			
Ordinary Resolution 2	Re-appointment of Dato' Kok Wee Kiat as Director			
Ordinary Resolution 3	Re-appointment of Y.M. Tengku Yunus Kamaruddin as Director			
Ordinary Resolution 4	Approval of payment of Directors' Fee of RM136,000			
Ordinary Resolution 5	Re-appointment of Messrs PricewaterhouseCoopers as Auditors and to authorize the Directors to fix the Auditors' Remuneration			
Ordinary Resolution 6	Authority under Section 132D of the Companies Act, 1965, for the Directors to issue shares			
Ordinary Resolution 7	Proposed Renewal of Authority for the Purchase by the Company of its Own Shares			
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature			
Ordinary Resolution 9	Continuing in Office as Independent Non-Executive Chairman – Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar			
Ordinary Resolution 10	Continuing in Office as Independent Non-Executive Director – Dato' Kok Wee Kiat			
Ordinary Resolution 11	Continuing in Office as Independent Non-Executive Director – Y.M. Tengku Yunus Kamaruddin			

(Please indicate "X" in the appropriate box against each Resolution as to how you wish your proxy/proxies to vote. If no voting instruction is given, this form will be taken to authorise the proxy/proxies to vote at his/her discretion).

Dated this ____________ day of ____________ 2014 No. of Shares held : ____________________

____
Signature of shareholder(s) or Common Seal

Notes:

1) A member entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2) Save for an Exempt Authorised Nominee as defined under the Central Depositories Act which may appoint multiple proxies in respect of each Omnibus Account it holds with ordinary shares of the Company standing to the credit of the said securities account, a member may appoint not more than two (2) proxies to attend at same meeting. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy.
3) The instrument appointing a proxy, shall be in writing under the hands of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under seal or the hand of an officer or attorney duly authorised.
4) The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 3, Persiaran Waja, Bukit Raja Industrial Estate, 41050 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

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AFFIX
STAMP

THE COMPANY SECRETARY
ALUMINIUM COMPANY OF MALAYSIA BERHAD (Company No. 3859 U)
No.3, PERSIARAN WAJA
BUKIT RAJA INDUSTRIAL ESTATE
41050 KLANG
SELANGOR DARUL EHSAN
MALAYSIA

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ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

No.3, Persiaran Waja,
Bukit Raja Industrial Estate,
41050 Klang,
Selangor Darul Ehsan,
Malaysia.

Telephone : 03-3346 6262
Telefax : 03-3341 2793

www.alcom.com.my

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

ANNUAL REPORT **2014**

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ALUMINIUM COMPANY OF MALAYSIA BERHAD
(3859-U)

ANNUAL REPORT 2014