INFINITE POSSIBILITIES

ANNUAL REPORT **2015**

alcom

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-Fourth 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, 26 August 2015 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 2015 and the reports of the directors and auditors thereon.

2. To re-elect Mr. Paul Allen Stadnikia who retires in accordance with Article 92(A) of the Articles of Association of the Company. **ORDINARY RESOLUTION 1**

3. To re-elect Mr. Heon Chee Shyong who retires in accordance with Article 92(D) of the Articles of Association of the Company. **ORDINARY RESOLUTION 2**

4. To re-elect Mr. James F. Makki who retires in accordance with Article 92(D) of the Articles of Association of the Company. **ORDINARY RESOLUTION 3**

5. 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 4**

6. 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 5**

7. To approve the payment of directors' fees of RM136,000 for the financial year ended 31 March 2015. **ORDINARY RESOLUTION 6**

8. To approve the payment of directors' fees of RM163,000 for the financial year ending 31 March 2016. **ORDINARY RESOLUTION 7**

9. 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 8**

AS SPECIAL BUSINESS

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

10. **Authority under Section 132D of the Companies Act, 1965, for the Directors to Issue Shares** **ORDINARY RESOLUTION 9**

    "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."

11. **Proposed Renewal of Authority for the Purchase by the Company of its Own Shares** **ORDINARY RESOLUTION 10**

"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:-

(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 2015 of RM23,368,911 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

12. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **ORDINARY RESOLUTION 11**

"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 27 July 2015 subject further to the following:-

(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."

13. **Continuing in Office as Independent Non-Executive Chairman** **ORDINARY RESOLUTION 12**

"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."

14. **Continuing in Office as Independent Non-Executive Director** **ORDINARY RESOLUTION 13**

"That subject to the passing of Ordinary Resolution 4, 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."

15. **Continuing in Office as Independent Non-Executive Director** **ORDINARY RESOLUTION 14**

“That subject to the passing of Ordinary Resolution 5, 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.”

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

By Order of the Board

LAM LEE SAN (F) (MAICSA 7048104)
LEE LAI FONG (F) (MAICSA 7031962)
Secretaries

Bukit Raja, Klang
Date: 27 July 2015

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 9 – 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 27 August 2014 and which will lapse at the conclusion of the forthcoming Annual General Meeting.

Notice of Annual General Meeting

Ordinary Resolution 10 – 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 11 – 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 27 July 2015 with regard to Ordinary Resolution 11.

Ordinary Resolutions 12, 13 and 14 – 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 38 to 44 of this annual report. Directors' interests in the securities of the Company are disclosed on page 63 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 multi-national 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 2015, 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 relevant 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:-

- 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;
- Monitoring the performance and competency of senior management positions are of sufficient calibre and the Board is satisfied that there are programmes in place to provide for the orderly succession of senior management;
- Reporting to Shareholders
- Evaluations of Board processes and performance;
- Declaring dividends payment;
- Reviewing the adequacy and the integrity of the risks management and internal control systems of the company, including systems and procedures in place for compliance with applicable laws, regulations, rules, directives and guidelines; to promote best practice in corporate governance;
- 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 the principal risks arising from all aspects of the company's business that have significant impact on the Group's operations to ensure that there are systems in place to effectively monitor and manage these risks.

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, it is important for all to be aware and understand the tenets of the Code and adhere accordingly. 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 and conducted for new employees and interns during the induction programmes. A summary of the code of conduct is 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; to enable employees to clarify matters about the code and also to report concerns or suspected violations. Any report received from the Ethics Hotline is being investigated and appropriate actions taken by HR Dept. at business unit level and the Internal Audit team at Regional level.

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.

Corporate Governance

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:-

- Environment Health & Safety (EHS) Performance Review
- Financial Reviews
- Plant Operations: Productivity & Quality
- Commercial Review: Market and Customers Activities
- Strategic Activities updates
- Development on human resources
- Legal & Regulatory update
- Information Systems update on Microsoft AX Dynamics ("MAX") Enterprise Resource Planning and GST implementation
- Strategic Reviews: Moving forward

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 effectively.

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 FYE2015, 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 which stipulates that non-executive directors should be persons of calibre, creditable and have the necessary skill and experience to bring an independent judgement to bear on issues considered by 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.

Corporate Governance

e) To ensure an 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 2015, the Nomination Committees met twice i.e. on 21 May 2014 and 19 Nov 2014.

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

Name of Nomination Committee Member	No. of meeting attended*
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	2 / 2
Dato' Kok Wee Kiat	2 / 2
Mr. Shashi Kant Maudgal	2 / 2

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

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 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 21 May 2014, 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 FYE2015, 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 2015, the Committee met once: on 17 February 2015. Details on attendance of the members of the Remuneration Committee were as follows:-

Name of Remuneration Committee Member	No. of meetings attended*
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

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

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 payable for Non-Executive Directors must commensurates appropriately with the given level of responsibility of its Directors whilst taking into consideration the sensitivity to the interest of other stakeholders, including shareholders and employees. A proposal was tabled by Mr. Shashi Kant to increase the current fees of independent Non-Executive Director to be comparable with listed companies. The Board has accepted the proposal and the same will be presented in the forth-coming Annual General Meeting for shareholders' approval.

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.

Non-Independent Non-Executive Directors

No remumeration 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 2015 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	-	470	-	19	141	630
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	1
RM200,001 to RM300,000	-
RM300,001 to RM400,000	-
RM400,001 to RM500,000	1
RM500,001 to RM600,000	-
RM600,001 to RM700,000	-

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.

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. The Board has 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.

The Board therefore 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.

Corporate Governance

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 Board and Nomination Committee 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).

As such, 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 Director, Finance who attend the meetings present reports on Group's performance comprehensive enough to enable the Board members to discharge their duties and responsibilities.

During the financial year ended 31 March 2015, 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
21 May 2014	11:25 a.m.	ALCOM, Bukit Raja, Klang
27 August 2014	10:10 a.m.	Hotel Armada, Petaling Jaya
19 November 2014	11:05 a.m.	ALCOM, Bukit Raja, Klang
17 February 2015	10:45 a.m.	ALCOM, Bukit Raja, Klang

Details on attendance of the directors at meetings held during the financial year ended 31 March 2015 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. Heon Chee Shyong ##	17 November 2014	2/2	100
Mr. Vishal Rao #	01 June 2013	2/2	100
Mr. Shashi Kant Maudgal	1 June 2012	4/4	100
Mr. Paul Allen Stadnikia	1 June 2012	3/4	75
Mr. Emilio Stefano Lorenzo Braghi ###	27 June 2013	3/4	75

Note:
** Number of meetings attended / number of meetings held while in office*
 # Resigned on 12 September 2014
Appointed on 17 November 2014
Resigned on 1 April 2015

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 2015, attended the following training programs:-

TRAINING PROGRAMME ATTENDED BY THE DIRECTORS (1 April 2014 to 31 March 2015)

Name of Directors	Particulars of Training Attended and Date
Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tunku Ja'afar	None
Dato' Kok Wee Kiat	None
Y.M. Tengku Yunus Kamaruddin	1. KSM In-House Tax Seminar at Tanjung Puteri Gold Resort, Pasir Gudang, Johor (June 26, 2014) 2. CAANZ – MICPA Forum: Risk Management – Walking the Talk at Sime Darby Convention Centre, Kuala Lumpur (September 5, 2014)
Mr. Heon Chee Shyong	1. Mandatory Accreditation Programme for Directors of Public Listed Companies by Bursatra Sdn. Bhd., at PJ Hilton Hotel, Petaling Jaya (January 14-15, 2015)
Mr. Shashi Kant Maudgal	1. Novelis Global Leadership Program by Novelis Inc., at Orlando, Florida (October 7-10, 2014) 2. Chairman's' Award Function, at Mumbai, India – Dec 2014
Mr. Paul Allen Stadnikia	1. Deloitte Tax Conference, Singapore (April 8-10, 2014) 2. Novelis Finance Forum by Novelis Inc., at Miami, Florida (May 20-22, 2014) 3. Novelis Global Leadership Program by Novelis Inc., at Orlando, Florida (October 7-10, 2014)
Mr. Emilio Stefano Lorenzo Braghi	None
Mr. Vishal Rao	None

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 2015, 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 will have 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.

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 2015 can be found on pages 27 to 32.

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. Senior Managers, who are heads of depts. and also direct reports to the Managing Director are required to conduct periodical reviews of their own Risks Register and thereafter sign-off on monthly and quarterly basis via a Certification to the MD and Director, Finance that all risks and matters under their direct purview have been reviewed actions had been taken to address risks gaps, if any, at all identified and listed.

6.2 Internal Audit Function

The Group's internal audit function is performed by the Regional Internal Audit team from its parent 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 prior 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 by 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 24 to 26 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. The Board would consider the feasibility of carrying out electronic polling at its AGM in future.

8.3 Effective Communication and Proactive Engagement

The Company recognises the importance of communication with its shareholders. The Managing Director and the Director, Finance 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 practical and appropriate steps to comply with the requirement of MMLR of Bursa Malaysia in relation to applications of principles and adoption of 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 2015

Introduction

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

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.

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 risk management framework as an on-going process for reviewing the adequacy and integrity of the design of those systems in place, 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 internal controls and risk management, 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.

Toward the end of each quarter, all Managers, Unit/Section Leads; and Senior Managers reporting to the Managing Director will conduct reviews on all aspects of operational matters directly under their purview; this covers areas of Internal Controls, Risk Management and Commitments & Contingencies, if any arising and thereafter signed a certification letter to the Management as assurance is provided.

This process broadly forms the framework for determining how the Groups' exposure to risks, if any are being addressed. ALCOM Group as part of Novelis Inc., has conformed to the Novelis Corporate requirement and implemented the numerous internal controls systems in place.

Directors' Statement on Risk Management and Internal Control
For Financial Year Ended 31 March 2015

In addition, a global matrix organizational structure is being practiced, wherein an individual at senior management level 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. Performance measurements similar to Key Results Areas ("KRA") which are based on the score cards driven by Novelis Corporate through ALCOM Group is used to track and measure performances of all aspects of the operations, including staff performance. Risk exposures 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 and, Remuneration Committees to ensure their continued 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 and ad-hoc audits by Internal Audit are an integral and important part of the governance process. The Regional 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 – the challenges the Group anticipates in future. 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 to identify possible solutions in eliminate shortcomings or deficiencies.

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.
- 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 standards on safety, code of conduct and competency levels.

Directors' Statement on Risk Management and Internal Control
For Financial Year Ended 31 March 2015

- 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 and 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 and regular update of risk management and internal controls 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.
- Quarterly certification by managers, unit/section leads, senior managers and Representation Letter by Management to the Board and Parent Company on assurances of Risk Management, Internal Controls and Compliance in place.
- 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/public 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 risk management and controls system in place for financial reporting accuracy as required.

Review of this Statement

The external auditors have reviewed this Statement for inclusion in the FY2015 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

Group Internal Audit has reported to the Audit Committee that, while it has addressed certain individual lapses in internal control during the course of its internal audit assignment for the year, it has not identified any circumstances which suggest fundamental deficiencies in the Group's internal control and risk management system that would have resulted in material losses.

Conclusion

Based on the foregoing, the Board is of the view that the system of internal control and risk management is in place for the year under review, and up to the date of approval of this Statement, is sufficient to safeguard the Group's assets, as well as the shareholders' investments, the interests of customers, regulators, employees and other stakeholders.

The Board has received quarterly assurance from the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately in all material aspects, based on the framework adopted by the Group.

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 to ensure strong corporate governance. The Committee is responsible for assessing the risk and control environment, overseeing financial reporting and evaluating the management and audit process within the Group.

COMPOSITION AND MEETINGS

As at end of financial year ending 31 March 2015, 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 2015 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 38 to 44.

During the financial year ended 31 March 2015, 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	3/4	75%

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

The Managing Director and the Director, Finance 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.

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,
- Assessing the risk and control environment, and
- Evaluating the management and audit process within the Group.

Report of the Audit Committee

Internal Audit function

ALCOM Group is subject to yearly audits by the group 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 risks process and 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 Group Internal Audit covers the audits of all units and operations of the Group including the various computer application systems and network of the Group. Besides the schedule annual audits, the group internal audit also conducts adhoc facts based investigation audit as and when there is a need arising.

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.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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.

1.2 All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:

a) a member of the Malaysian Institute of Accountant ("MIA"); or

b) if he is not a member of MIA, he must have at least three (3) years of working experience; and

i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967;or
ii) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967 or

c) fulfills such other requirements as prescribed or approved by Bursa Securities.

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.

2. Retirement and Resignation

2.1 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

3.1 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. Secretary

4.1 The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure the Minutes shall be circulated to all members of the Board.

5. Meetings

5.1 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.

5.2 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.

5.3 Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

5.4 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.

5.5 The Managing Director and the Chief Financial Officer should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the external auditors without executive Board members or employees present at least twice a year and whenever necessary.

5.6 The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

5.7 The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.

5.8 Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

6. Minutes

6.1 Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

6.2 The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7. Quorum

7.1 The quorum for the Audit Committee meeting shall be the majority of members present whom must be Independent Directors and two (2) members shall constitute a quorum.

7.2 Attendance at a meeting may be by being present in person or by participating in the meeting via video or teleconference.

8. Objectives

8.1 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.

9. Authority

9.1 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.

10. Duties and responsibilities

10.1 The duties and responsibilities of the Audit Committee are as follows:

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.

Overseeing Financial Reporting

(e) 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

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

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

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

(i) To review the external auditor's management letter and management's response.

Assess Risks & Control Environment

(j) 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;

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

(l) 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;

Review conflict of interest and Related Party Transaction

(m) 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;

Relationships and Communication with Board, Auditors and Management

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

(o) 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);

(p) To identify principal risks and to establish a proper risk management system to manage such risks;

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

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

11. Revision of the Terms of Reference

Any revision or amendment to the Terms of Reference, as proposed by the Audit Committee or any third party, shall be presented to the Board for its approval.

Upon the Board 's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

[As at 17 February 2015]

Additional Compliance Information

Share Buyback

In the financial year ended 31 March 2015, the Company did not transact any share buyback during the financial year. A total of 2,079,000 shares were retained as treasury shares as at 31 March 2015.

Options, Warrants or Convertible Securities

The Company has not issued any options, warrants or convertible securities during the financial year.

Depository Receipt Programme (DRP)

The Company did not sponsor any DRP programme during the financial year.

Imposition of Sanctions/Penalties

During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

Non-audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM18,000.00.

Variation in Results

As there were no profit estimate announced during the financial year, no variation in result reconciliation is applicable.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

Material Contracts

There was no material contract on the Company and its subsidiaries during the financial year involving Directors' and major shareholders' interests.

Corporate Review

Board of Directors

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

HEON CHEE SHYONG
Non-Independent
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

JAMES F. MAKKI
Non-Independent Non-Executive Director

MS. LAM LEE SAN
Secretary

Directors' Profile

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR
Aged 67, Malaysian. Independent, Non-Executive Chairman.

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

HEON CHEE SHYONG
Aged 47, Malaysian. Non-Independent Managing Director.

Appointed to the Board on 17 November 2014. Mr. Heon graduated with the Bachelor of Civil Engineering (Hons) and Bachelor of Commerce – Management from the University of Wollongong, Australia.

Chee Shyong started his career as Marketing Engineer with BlueScope Lysaght (Malaysia) Sdn Bhd (formerly known as BHP Steel Building Products Sdn Bhd) in 1991. Since then, he had accumulated 22 years of working experience within the BlueScope Steel group holding numerous key leadership roles. In 1993, he became Supervisor, overseeing the sales for Central Region. In 1995, he was promoted to Sales Manager – BlueScope Steel (Malaysia) Sdn Bhd, responsible for pioneering coated steel products portfolios in the Malaysia, Singapore and Brunei markets. In 1999, he was made Vice President – Supply Chain: where he played a major role in heading 5 key departments – Procurement, Inventory Management, Production Planning, Logistics and Customer Service. In 2003, he was seconded as President, to an associate company within the BlueScope Steel group: BlueScope Lysaght (Sarawak) Sdn Bhd. During this time, he helped to put in place proper system and structure which successfully turned around the company. Later in 2007, he was posted back to BlueScope Lysaght (Malaysia) Sdn Bhd as President/Director overseeing the entire Malaysian operation. Most recently. he served as President/Director of BlueScope Lysaght Malaysia, Singapore and Brunei operations from 2009 through 2013 overseeing 7 businesses across the region taking leadership roles on strategic business development and building functional leadership team across the various business units.

Chee Shyong was appointed Managing Director of Aluminium Company Of Malaysia Berhad on 17th November 2014. He is also the Chairman of Aluminium Manufacturers Group of Malaysia (FMM – AMGM).

Since his appointment , he has attended two (2) out of two (2) Board meetings held in FY2015.

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

DATO' KOK WEE KIAT
Aged 74, Malaysian. Independent Non-Executive Director.

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 last year. He remains Advisor to the Prime Minister's Hibiscus Award after chairing the Organizing Committee for 12 years last past. 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.

Y.M. TENGKU YUNUS KAMARUDDIN
Aged 74, Malaysian. Independent Non-Executive Director.

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
Aged 61, Indian. Non-Independent Non-Executive Director.

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 all four (4) Board meetings held during the financial year 2015.

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
Aged 56, American. Non-Independent Non-Executive Director.

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 three (3) out of the four (4) Board meetings held in the financial year 2015.

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

JAMES F. MAKKI
Aged 56, American. Non-Independent Non-Executive Director.

Appointed to the Board on 27 May 2015. Dr. James F. Makki holds both a Doctorate (1989) and Bachelor's Degree (1982) in Chemical Engineering from Cleveland State University, Ohio and an MBA (1998) from Illinois Benedictine University.

He began his career with Alcan Rolled Products in 1989 as Surface Coating Specialist. Since then, he had been with Novelis for more than 25 years till present date.

During this period, he has held numerous operational, technical and leadership roles in various geographical locations within North America, Asia and South America. James brings with him a vast experience in all facets of the aluminium manufacturing with proven success in strategic leadership and effective bottom-line execution. He has accumulated skills in managing cross-functional teams, analysing complex situations with a bias toward clear strategies and action, formulating effective decision making structures and leading innovative process to drive business growth.

On 1 April 2015, he was appointed Vice President, Operations for Novelis Asia with its regional head-quarters located in Seoul, Korea. In his new position, James will be responsible for the overall operations of the 4 plants within Asia region; namely, two Korea Plants (Yeongju & Ulsan), Changzhou Plant in China and ALCOM Plant in Malaysia. Prior to this, he was serving as the Vice President, Operations, for Novelis North America, a position which he has held since Oct 2013 till March 2015.

Dr. James is recognized for his commitment to excellence in manufacturing within the Novelis Group.

He has not attended any Board Meeting for financial year ending 31 March 2015; prior to his appointment on 27 May 2015.

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.

Corporate Directorate

BOARD OF DIRECTORS

Chairman:
Y.A.M. Tunku Tan Sri Imran
ibni Almarhum Tuanku Ja'afar
(Independent
Non-Executive Chairman)

Managing Director:
Mr. Heon Chee Shyong
(Non-Independent
Executive Managing Director)
- appointed on 17 November 2014

Mr. Vishal Rao
(Non-Independent
Executive Managing Director)
- resigned on 12 September 2014

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)
- resigned on 1 April 2015

Dr. James F. Makki
(Non-Independent
Non-Executive Director)
- appointed on 27 May 2015

JOINT SECRETARIES:

Ms. Lam Lee San (MAICSA 7048104)
Ms. Lee Lai Fong (MAICSA 7031962)

AUDIT COMMITTEE

Chairman:
Dato' Kok Wee Kiat

Members:
Y.A.M. Tunku Tan Sri Imran
ibni AlmarhumTuanku 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

REGISTERED OFFICE

No. 3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang
Selangor Darul Ehsan
Tel : 03-3346 6262
Fax : 03-3341 2793

REGISTRARS

Symphony Share Registrars Sdn Bhd
(378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Tel : 03-7841 8000
Fax : 03-7841 8152

AUDITORS

PricewaterhouseCoopers,
Kuala Lumpur (AF: 1146)

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
Citibank Berhad (297089-M)

SOLICITORS

SKRINE

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

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
Tel : +603-3346 6262
Fax : +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
Tel : +603-3346 6262
Fax : +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
Tel : +603-3342 2234
Fax : +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)

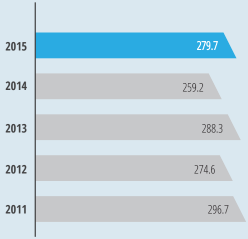
Trade Names

PAYUNG - Corrugated Sheet
COMSPAN - Industrial Profile Roofing Sheet

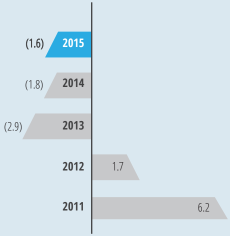
Five-Year Summary

GROUP FINANCIAL HIGHLIGHTS	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Revenue and Earnings (RM Million)					
Revenue	296.7	274.6	288.3	259.2	279.7
Profit/(Loss) from ordinary activities before tax	8.0	2.4	(3.9)	(2.3)	(0.9)
Provision for taxation - Current	(2.8)	(0.6)	(0.1)	(0.6)	(1.1)
- Deferred	1.0	(0.1)	1.1	1.3	0.6
Net profit/(loss) attributable to shareholders	6.2	1.7	(2.9)	(1.8)	(1.6)
Balance Sheet Items (RM Million)					
Working capital	116.1	102.0	98.6	100.0	97.7
Non current assets	90.6	99.6	93.8	89.6	83.0
Total borrowings	-	-	-	-	-
Shareholders' funds	192.3	186.6	178.7	176.9	168.6
Total assets	229.8	219.8	213.5	214.9	228.3
Other Statistics:					
Earnings/(Loss) per Ordinary Share (RM Sen)	5.0	1.3	(2.2)	(1.20)	(1.12)
Ordinary dividends per Share (RM Sen)	7.5	7.5	5.0	-	5.0
Net tangible asset backing per Ordinary Share (RM)	1.45	1.41	1.35	1.34	1.27
Capital expenditure (RM million)	12.5	23.6	8.4	8.7	4.9
Net cash from operating activities (RM million)	27.7	15.3	11.8	26.9	12.6
Share prices : Highest (RM)	1.04	1.05	0.90	0.83	1.27
: Lowest (RM)	0.90	0.81	0.56	0.62	0.61

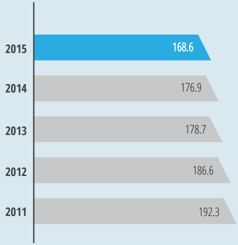
Revenue (RM Million)



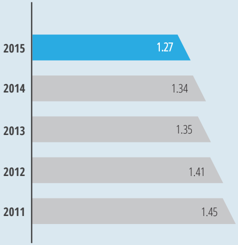
Net Profit/(Loss) Attributable to Shareholders (RM Million)



Shareholders' Funds (RM Million)



Net Tangible Asset Backing Per Ordinary Share (RM)



Chairman’s Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statement of Aluminium Company of Malaysia Berhad (“ALCOM”) Group for the financial year ended 31 March 2015.

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

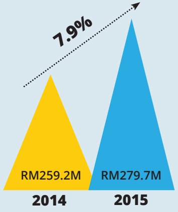
GROUP PERFORMANCE

ALCOM Group’s revenue rose to RM279.7 million for financial year ended 31 March 2015; an increase of 7.9% as compared to RM259.2 million recorded in the last financial year. The improved revenue was the result of a 3.4% higher shipment volume and increased metal costs coupled with higher Main Japanese Port(MJP) premiums.

For the financial year under review, there was a 6.5% improvement in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as compared to the last financial year. The Group’s strong fourth quarter results largely accounted for this improvement in EBITDA performance . The 4th quarter’s pre- tax profit of RM3.4 million helped to reduce the accumulated pre-tax losses incurred in the earlier 3 quarters resulting in the financial year closing at pre-tax loss of RM0.9million compared to the pre-tax loss of RM2.3million incurred in the last financial year. The overall improved performance was the result of prudent management and a firm rein on costs despite contracted margins due to stiff pricing pressures, higher metal input costs and increased MJP premiums.

RM279.7M

2015 REVENUE



FINANCIALS & DIVIDEND

The Group cash reserves increased by RM6.3 million and stood at RM61.8 million for financial year ended 31 March 2015 as compared to RM55.5 million at the end of 31 March 2014.

An interim single tier dividend of 5% was declared in respect of the financial year ended 31 March 2015 which amounted to approximately RM6.6 million. This was paid on 12 Aug 2014.

ECONOMIC DEVELOPMENT AND INDUSTRY TRENDS

Global economic prospects remain uncertain, especially in the Greece/Euro region and Japan. The heightened geopolitical concerns in Ukraine and conflicts in the Middle-East adds to this uncertainty while on the other hand, the US economy is seemingly rebounding.

On the domestic front, Malaysia as a trade-oriented and financially integrated economy, is susceptible to these external vulnerabilities including the fluctuations in prices of commodities, crude oil prices and movement of the Malaysian Ringgit exchange rate against currencies of Malaysia's major trading partners. In spite of these challenges, Malaysia recorded a favourable GDP growth of 6% in 2014.

The Malaysian Ringgit depreciation against the US Dollar will help improve the nation's export competitiveness while at the same time favourable for wider import substitution. The Government is in the midst of rolling out its 11th Malaysia Plan, from 2016-2020 to propel Malaysia into a high income nation status by 2020. On going projects like MRT, LRT extension line and the proposed High Speed Rail is being undertaken by the Government to stimulate investment growth in the private sector with a view to achieve a sustained GDP growth over the next five years The recent revision by Fitch rating agency on the country's outlook from negative to stable affirms the recognition that Malaysia's economic and financial transformation programs are on track in achieving its target to attain high-income status by 2020.

RM61.8 Million | **CASH RESERVES**

6% | **GDP GROWTH**

PROSPECTS

Although the positive Fitch rating augurs well for the nation and the industry, the business outlook for the Group remains challenging in FY2016.

We at ALCOM Group will stay focused to ensure that our customers get the value that they expect and for us to deliver them in a cost effective manner. The recent strategy refresh with an emphasis on roofing will help us build a higher value product portfolio. To ensure that margins are improved, the various ongoing cost management initiatives will continue to be a priority together with enhanced productivity levels.

With attention in these areas, the Group will expect a pronounced impact and be resilient to withstand the increased competition and potential cost escalations ahead of us.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank all our Stakeholders; our Shareholders, Customers, Business Partners, Government Authorities and Employees. We look forward to your continued commitment and dedicated support in the coming year.

Since my last report, Mr. Vishal Rao resigned as Managing Director of ALCOM on 12th Sept 2014 to take up a new role in Novelis, Korea. On behalf of the Board, I would like to register a note of thanks to Vishal and wish him well in his new assignment.

At the same time, the Board is pleased to welcome Mr. Heon Chee Shyong who has assumed the role of Managing Director of ALCOM, effective from 17 November 2014.

Mr. Emilio Stefano Lorenzo Braghi had also resigned from the Board effective from 1st April 2015 after taking up his new posting in Novelis, North America. Similarly, the Board would like to register a note of thanks for his contribution as a member of the Board during his tenure. The Board would also like to welcome Dr. James F. Makki who has joined the Board on 27 May 2015 as a Board member.

On behalf of ALCOM's Board, I would like to record a note of appreciation and thanks to our immediate holding company, Novelis Inc., for the continued support rendered in the form of systems, controls and technical knowledge transfers to help elevate the status of ALCOM as a global manufacturer.

Last but not least, I would also like to sincerely thank all my fellow Directors for their invaluable counsel, guidance and support during the year under review.

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

27 JULY 2015

Kenyataan Pengerusi

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan untuk kumpulan Aluminium Company of Malaysia Berhad ("ALCOM") bagi tahun kewangan berakhir 31 Mac 2015.

PRESTASI KUMPULAN

Pendapatan Kumpulan ALCOM meningkat kepada RM279.7 juta bagi tahun kewangan berakhir 31 Mac 2015; peningkatan sebanyak 7.9% berbanding dengan RM259.2 juta yang telah direkodkan pada tahun kewangan yang lepas. Perolehan hasil yang lebih baik ini adalah daripada jumlah penghantaran yang lebih tinggi iaitu sebanyak 3.4%, peningkatan kos logam, dan juga ditambah dengan premium Pelabuhan Utama Jepun (MJP) yang lebih tinggi.

Bagi tahun kewangan yang sedang dipantau, terdapat peningkatan sebanyak 6.5% dalam Perolehan Sebelum Faedah, Cukai, Susut Nilai dan Pelupusan (EBITDA) berbanding dengan tahun kewangan yang lepas. Keputusan suku keempat Kumpulan yang kukuh sebahagian besarnya telah menyumbang kepada peningkatan di dalam prestasi EBITDA ini. Keuntungan sebelum cukai bagi Suku ke-empat sebanyak RM3.4 juta telah membantu mengurangkan kerugian sebelum cukai terkumpul yang ditanggung dalam ke tiga-tiga suku tahun terawal yang mengakibatkan penutupan kewangan tahunan pada kerugian sebelum cukai terkumpul menjadi lebih rendah iaitu sebanyak RM0.9 juta berbanding dengan kerugian sebelum cukai terkumpul sebanyak RM2.3 juta pada tahun kewangan yang lepas. Prestasi keseluruhan yang lebih baik adalah hasil daripada pengurusan berhemat dan pengekangan kos yang hebat walaupun ‘margin’ semakin mengecil akibat tekanan harga yang sengit, kos input logam yang lebih tinggi dan peningkatan premium MJP.

KEWANGAN & DIVIDEN

Rizab tunai Kumpulan meningkat sebanyak RM6.3 juta dan kekal pada RM61.8 juta bagi tahun kewangan berakhir 31 Mac 2015 berbanding dengan RM55.5 juta pada akhir 31 Mac 2014.

Dividen satu peringkat interim sebanyak 5% telah diisytiharkan bagi tahun kewangan berakhir 31 Mac 2015 yang berjumlah kira-kira RM6.6 juta. Dividen ini telah dibayar pada 12 Ogos 2014.

PEMBANGUNAN EKONOMI DAN TREND INDUSTRI

Prospek ekonomi global masih tidak menentu terutamanya di Greece / rantau Eropah dan Jepun. Kebimbangan geopolitik memuncak di Ukraine dan konflik di Timur Tengah menambahkan lagi ketidakpastian struktur ekonomi masa kini ,sementara di pandangan lain, ekonomi Amerika Syarikat seolah-olah pulih.

Di dalam negara, Malaysia sebagai sebuah ekonomi berorientasikan perdagangan dan bersepadu dari segi kewangan, adalah mudah terdedah kepada kelemahan luaran. Ini termasuk penurunan dan kenaikan harga komoditi, harga minyak mentah dan pergerakan kadar pertukaran Ringgit Malaysia berbanding dengan mata wang rakan perdagangan utama Malaysia. Walaupun dengan pelbagai cabaran, Malaysia telah mencatatkan pertumbuhan KDNK yang menggalakkan sebanyak 6% pada tahun 2014.

Kejatuhan nilai Ringgit Malaysia berbanding Dolar AS akan membantu meningkatkan daya saing eksport negara dan pada masa yang sama menggalakkan penggantian import yang lebih luas. Kerajaan sedang di dalam proses melancarkan Rancangan Malaysia ke-11, dari tahun 2016-2020 untuk melonjakkan Malaysia menjadi sebuah negara berpendapatan tinggi menjelang tahun 2020. Projek berterusan seperti MRT, rantaian sambungan LRT dan cadangan “High Speed Rail” sedang dijalankan oleh Kerajaan untuk merangsang pertumbuhan pelaburan dalam sektor swasta dengan tujuan untuk mencapai pertumbuhan KDNK untuk tempoh lima tahun akan datang. Semakan baru-baru ini oleh agensi penarafan “Fitch” mengenai tinjauan masa depan negara daripada kedudukan negatif kepada keadaan stabil, mereka telah mengesahkan pengiktirafan bahawa program-program transformasi ekonomi dan kewangan Malaysia berada di atas landasan bagi mencapai sasaran untuk mencapai status negara berpendapatan tinggi menjelang 2020.

PROSPEK

Walaupun kedudukan positif Fitch merupakan petanda baik bagi negara dan industri, prospek perniagaan bagi Kumpulan kekal mencabar dalam tahun kewangan 2016.

Kami di Kumpulan ALCOM akan terus memberi tumpuan untuk memastikan bahawa pelanggan-pelanggan kami memperolehi nilai yang mereka perlukan dan memberikan mereka dengan kos yang lebih berkesan. Penyusunan semula strategi baru-baru ini dengan penekanan kepada produk ‘bumbung’ akan membantu kami membina portfolio nilai produk yang lebih tinggi. Untuk memastikan bahawa margin akan bertambah baik, pelbagai inisiatif pengurusan kos yang berterusan akan terus menjadi keutamaan bersama-sama dengan tahap produktiviti yang dipertingkatkan.

Dengan memberi perhatian yang lebih di bahagian-bahagian yang penting ini, Kumpulan akan menjangkakan kesan yang ketara dan berdaya tahan untuk menghadapi persaingan yang meningkat dan potensi kenaikan kos di hadapan kita.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada semua pihak yang berkepentingan; pemegang saham, pelanggan, rakan niaga, pihak berkuasa Kerajaan dan Pekerja. Kami mengharapkan komitmen berterusan dan dedikasi anda pada tahun akan datang.

Berdasarkan laporan terakhir saya yang lepas, Encik Vishal Rao telah meletak jawatan sebagai Pengarah Urusan di ALCOM pada 12 September 2014 untuk mengambil peranan yang baru dalam Novelis, Korea. Bagi pihak Lembaga Pengarah, saya ingin mencatatkan penghargaan terima kasih kepada Vishal dan ingin mengucapkan beliau berjaya dalam tugasan barunya.

Pada masa yang sama, Lembaga Pengarah dengan sukacitanya mengalu-alukan Encik Heon Chee Shyong yang telah mengambil alih peranan sebagai Pengarah Urusan ALCOM, berkuat kuasa dari 17 November 2014.

Encik Emilio Stefano Lorenzo Braghi juga telah meletakkan jawatan dari Lembaga Pengarah berkuatkuasa mulai 1 April 2015 selepas mengambil jawatan baru di Novelis, Amerika Utara. Lembaga Pengarah ingin mencatatkan penghargaan terima kasih atas sumbangan beliau sebagai ahli Lembaga sepanjang tempoh perkhidmatan beliau. Lembaga Pengarah juga ingin mengucapkan selamat datang kepada Dr. James F. Makki yang menyertai Ahli Lembaga Pengarah pada 27 Mei 2015.

Bagi pihak Lembaga ALCOM, saya ingin merakamkan nota penghargaan terima kasih kepada syarikat induk kami, Novelis Inc., atas sokongan berterusan yang diberikan dalam bentuk sistem, kawalan dan pemindahan pengetahuan teknikal untuk membantu meningkatkan status ALCOM sebagai pengeluar global.

Akhir sekali, saya juga ingin merakamkan penghargaan kepada semua rakan-rakan Pengarah atas nasihat yang tidak ternilai, bimbingan dan sokongan mereka sepanjang tahun yang telah dikaji.

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

27 JULAI 2015

Managing Director's Review on Operations

MR. HEON CHEE SHYONG

FY2015 was yet another challenging and turbulent year for the Aluminium industry globally. The Main Japanese Port (MJP) premium increased to an unprecedented level of USD 425 per metric ton. Despite higher sales volumes, selling prices were suppressed as market conditions were hostile due to the intense competition from China's excessive capacity flooding the global market throughout the entire fiscal year 2015. This in turn affected the margins of products offered by the Group.

Having anticipated the economic environment, the Group poised itself proactively by moving into products mix portfolio management; focusing on high value added and technologically advanced products. At the same time, the Group steered away from commoditized products like plain aluminium sheets.

In tandem with the Group's parent global initiative to increase usage of re-cycled content, we have taken steps to increase usage of aluminium scrap as raw material. This has contributed to a direct reduction in the average metal costs input that enabled the Group to remain competitive. At the same time, favorable metal price lag gains arising from the metal price timing differential of sales and purchases together with savings from cost improvement initiatives cushioned headwinds and allowed the Group to remain resilient throughout the fiscal year. Against this background, the Group emerged with a much reduced pre-tax loss of RM0.9 million for financial year ending 31 March 2015 as compared to the pre-tax loss of RM2.3 million in the preceding fiscal year.

ALUMINIUM COMPANY OF MALAYSIA BHD (ALCOM)

At Company level, ALCOM turned to profitability after 3 years of consecutive losses. For the financial year ended 31st Mar 2015, ALCOM recorded a net income of RM0.08 million. The turnover rose to RM279.6 million as compared to RM250.1 million for the preceding financial year.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

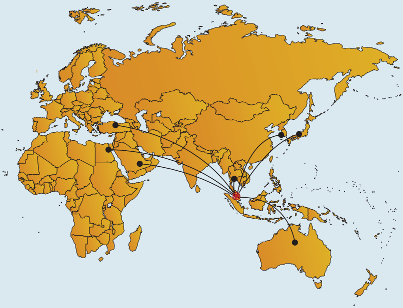
ANSC recorded a net loss of RM0.6 million against a reduced turnover of RM124.7 million for financial year ended 31 Mar 2015 as compared to a turnover of RM127.4 million in the preceding financial year on the back of a 7.3% reduction in shipment volume. The losses incurred was mainly due to pricing pressures in the export market and the drop in shipment volumes coupled with increased rental and energy costs incurred during the fiscal year under review.

RM0.08 Million | **ALCOM'S NET INCOME 31 MAR 2015**

COMMERCIAL

The Commercial team relentlessly embarked on strategies to build and strengthen its value add product portfolio from its existing range of products. The Roofing products section initiated a branding campaign to enhance ALCOM's Roofing presence to tap the vast potential in the residential and industrial applications within the Malaysian and ASEAN markets. This objective to enhance Roofing products' new brand image as a high premium product was done through aggressive media advertising in the Building and Construction market segments.

The Commercial team also concentrated efforts on widening the Group's existing customer base by working closely with new potential global business partners in untapped markets to develop and promote ALCOM's existing range of high-end products.



Visit to Alcom by a team of 37 from Jabatan Kerja Raya (JKR) comprising of architects, engineers and project owners

On the domestic front, the Group has been working closely with its local business partners and project owners in capturing various on-going mega projects like the new Light Rail Transit extension lines and the new Mass Rapid Transit project; including the proposed High Speed Rail project in the pipeline.

ALCOM's potential business partner arriving for plant visit

Plant tour conducted for the JKR team members

Managing Director's Review on Operations

REPLACING THE LEGACY BILLING, INVENTORY AND ACCOUNTING SYSTEMS

Last year we reported the successful implementation of the Manufacturing Execution System (MES) which is a production floor software that enables the control of multiple elements of the production processes in real time.

During the fiscal year under review, the Group migrated to a new Enterprise Resource Planning (ERP) system i.e. Microsoft AX Dynamics which replaced the legacy systems of more than 20 years. This system went live in April 2015 and included the feature to comply with the newly introduced Goods & Services Tax (GST) requirement.

A familiarization session for the new ERP system in progress

OPERATIONS

Environment, Health & Safety

Toward the first quarter of FY2015, the Group achieved its 4 millionth hours LTII (Long Term Injury and Illness) record. There was one incident toward the end of the 2nd quarter which resulted in lost time injury leading to the YTD accumulated LTII records being zerorised. The Group views each incident seriously. The Group conducts continuous refresher training and engagement with all employees to reinforce safety risks. Proactive initiatives to address risks' gaps is in place and mitigating actions undertaken with a view to make our plant a safe place to work and sustain a healthy workforce at all times.

EHS Advocacy: to reinforce the Safety culture

EHS Advocacy session by Novelis representative, Roland Billings

ALCOM staff putting into practice what is learnt

EHS Advocacy Leader, with the Plant Team Leads

A safety campaign week was launched in March 2015 in tandem with the Novelis Group's global EHS Advocacy program. This was to enhance safety skills competency, awareness and re-enforcement of safety rules and guidelines for the 2 entities in the Group.

Let's work together toward the goal...

Sustainability

As a good corporate citizen, ALCOM has always been committed to delivering superior value to our customers with low carbon products that benefit society. It is the responsibility of every Novelis facility, including ALCOM to contribute toward the set target to reduce energy consumption. To meet this target, we are committed to aggressively improving our energy efficiency and to use a systematic approach to energy management by:-

- Integrating energy efficiency considerations into our operational strategies
- Constant reporting, evaluating and improving our processes to reduce energy consumption and ensure the long-term success of our business
- Benchmarking our performance against top performing manufacturing operations

This policy is a statement of intent to reduce our energy usage and greenhouse gas emissions and strengthen the long-term sustainability of our business.

Landfill waste recorded a reduction of 28,000 kg for the Group. This was a 3% improvement of lesser landfill waste generated in FY2015 as compared to FY2014.

Continuous Improvement

Operations continued to look into opportunities to leverage on projects to bring about reduction in metal input cost. Procurement has been tasked with aggressive sourcing of scraps to help reduce in-metal cost and widening sourcing opportunities. At the same time, the department is also pursuing aggressive "cost-down" measures with suppliers in sourcing of metal and non-metal requirement for operations. On the quality side, we made significant improvements by addressing root causes of customer complaints. Our customer claim rate declined to 0.52% from a high of 1.44% in the preceding year. Not only has this contributed positively to our EBITDA but it has also improved our service levels to our customers.

CORPORATE RESPONSIBILITY ACTIVITIES

Mangrove Planting Initiative

In conjunction with World Environmental Day 2014, a group of employees from ALCOM in collaboration with the Forestry Department of Peninsular Malaysia volunteered to carry out planting mangrove seedlings along the shore line of the Selangor State. Mangrove plants has proven to provide mankind and marine environment with many benefits. Apart from serving as wave breakers, mangrove swamps is a fertile ground for a great variety of life including endangered and threatened species. It also help to hold soil during periods of heavy precipitation thus stabilizing shoreline sediments.

ALCOM employees doing their part to save the Earth

ALCOM Employees Creating a Better Earth for Tomorrow...after a hard day's work of planting mangroves

Managing Director’s Review on Operations

Community Engagement

ALCOM believes that community engagement is an essential component of corporate responsibility toward the surrounding community where it is operating from as a means to give back to the community. As a result, our community engagement programs are within the vicinity of our facilities and the Group continually engages with the communities in which we live and work.

Gotong Royong at SMK

Under the 3rd annual ‘One Novelis Volunteer Month’ the Group carried out a Gotong Royong Perdana project for the community school, Sekolah Menengah Kebangsaan Shahbandar, Klang.

ALCOM employees together with the SMK Shahbandar Klang’s school staff and students made a lasting impact for the school

The team of volunteers from ALCOM Group

38 volunteers from ALCOM Group together with 120 participants comprising school staff and parents of the School’s Parent-Teacher Association came together to conduct a ‘spring-cleaning’ to spruce up the surrounding of the school to enhance a better environment for students studying in the school.

Leadership by example...

All hands on deck....

Feeding the Homeless

In conjunction with the WiN week, the ALCOM's women workforce had also taken the initiative in joint efforts with PERTIWI, a Non-Governmental Orgnisation(NGO), to feed the homeless found within the vicinity of the central business district of Klang city on a hot Saturday afternoon.

Feeding the Homeless at CBD, Klang

All in line for free food served by ALCOM volunteers and NGO

EMPLOYEE ENGAGEMENT

Front office renovation

During the fiscal year under review, the interior of the Administration office was renovated. This was the first renovation after 30 years. This renovation has helped to create a vibrant environment and has enhanced work productivity. The renovation job took 6 months to complete and the newly renovated premises was officially opened by the Group Chairman, Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar on 9th September 2015.

A portion of the newly renovated front admin office

Welcoming the Chairman & Dato' Kok

Renovations were also carried out in the canteen area for employees to have a pleasant and cleaner environment for them to have their meals and to serve as a more conducive town hall meeting venue.

Group of the Admin team and Senior Management with the Board Members

Celebration of Women International Day (health talk)

In line with Woman International Day, events were organized throughout the Novelis Inc., Group under the Women In Novelis ("WiN") project. At ALCOM level, MAKNA, the National Cancer Council was invited to host a cancer awareness exhibition followed by health talks for all employees on 10th March 2015. A few of the selected female employees were also invited to share their experiences on their career aspirations in the work place and balancing domestic demands to achieve a proper work-life balance. Employees were encouraged to volunteer their participation in MAKNA's fund raising program via periodical financial contribution pledges. ALCOM in turn also made a contribution to MAKNA at the end of the program.

ALCOM staff and MAKNA officials celebrate the event

Managing Director's Review on Operations

MIEU Collective Agreement

ALCOM had all through these years enjoyed a good working relationship with the in-house union, having a good record or open communication and dialogue with both the unionised and non-unionised employees.

In FY2015, approximately 20% of our Group employees were represented by the labour union and the terms and conditions of their employment were governed by a collective agreement (CA) negotiated between the office bearers of the Union and representative from Management.

The last CA expired on 31 March 2015 and negotiation on the new CA between the Union and Management has since been completed.

Signed and Sealed. MIEU Representative exchanging CA documentation with Alcom's Managing Director

Rewarding ALCOM Group Employees' Children

The Group also inculcates a high performance culture in the children of all its employees by recognizing and rewarding the children who achieve excellent results for major examinations from Primary through High School levels. This is an annual Academic Excellent Award in a monetary form.

MOVING FORWARD

Moving forward, the Group need to remain focused and resilient in the present hostile market environment. ALCOM Group's intent is to build on the financial traction that was achieved in FY2015.

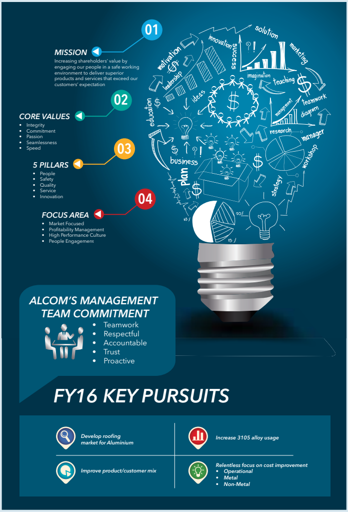
To achieve this purpose, the Strategic Mission Statement has been formulated for application in FY2016 onwards.

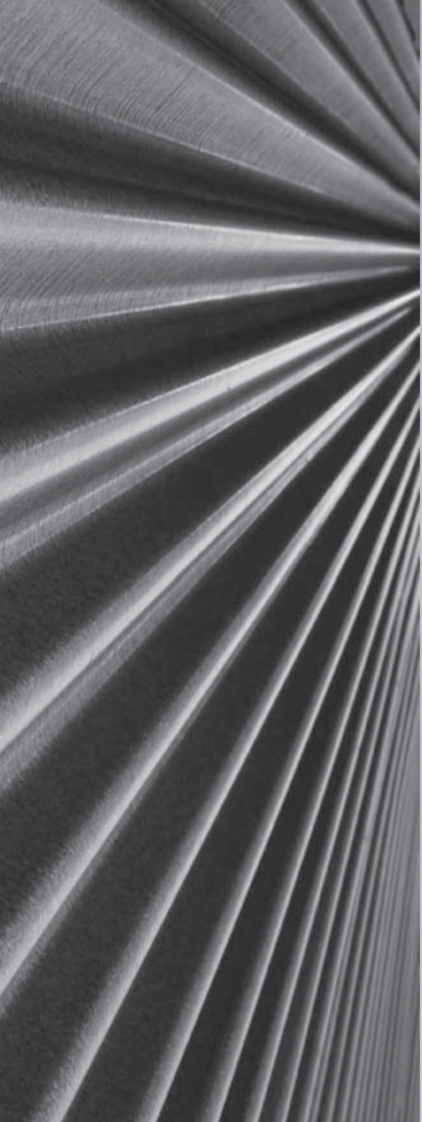
It reads **"Increasing shareholders' value by engaging our people in a safe working environment to deliver superior products and services that exceed our customers' expectation."**

The Mission Statement is undergirded by the 5 core universal values i.e. Integrity, Commitment, Passion, Seamlessness and Speed which are upheld by the Group and its parent company. The means to achieve the Mission statement is supported by the 5 pillars comprising of People, Safety, Quality, Service and Innovation with focus on 4 areas which are People Engagement, Market Focus, Profitability Management and High Performance Culture.

Once the above foundations are set in place, the Group should be on its path in ensuring financial success.

HEON CHEE SHYONG
27 JULY 2015





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 2015.

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
(Loss)/profit for the financial year	(1,477)	37

DIVIDENDS

Since the end of the previous financial year, the Company has declared and paid the following dividend:

	RM'000
In respect of the financial year ended 31 March 2015:	
Single-tier interim dividend of 5 sen per ordinary share, paid on 12 August 2014	6,613

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2015.

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 2015 are set out in Note 29 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

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	
Heon Chee Shyong	(Appointed with effect from 17 November 2014)
Vishal Rao	(Resigned with effect from 12 September 2014)
Emilio Stefano Lorenzo Braghi	(Resigned with effect from 1 April 2015)

In accordance with Article 92(A) of the Company's Articles of Association, Mr. Heon Chee Shyong and Mr. Paul Allen Stadnikia retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves 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 1.4.2014	Acquired	Sold	At 31.3.2015
Y.M. Tengku Yunus Kamaruddin	114,500	-	-	114,500

None of the other Directors held any interests in shares of the Company and its related corporations during the financial year.

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 amounts 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) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

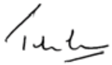
IMMEDIATE AND ULTIMATE HOLDING COMPANIES

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.

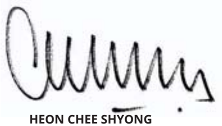
AUDITORS

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 27 May 2015.



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



HEON CHEE SHYONG
DIRECTOR

Bukit Raja, Klang

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2015

	Note	Group 2015 RM'000	Group 2014 RM'000
Revenue	7	279,712	259,169
Other operating income	8	930	1,063
Changes in inventories of raw materials, work-in-progress and finished goods		9,240	(1,409)
Raw materials and consumables used		(219,610)	(189,329)
Staff costs	10	(25,074)	(26,883)
Utilities and fuel		(17,151)	(15,541)
Depreciation of property, plant and equipment		(11,476)	(12,357)
Upkeep, repairs and maintenance of assets		(5,972)	(6,224)
Technical fees		(1,299)	(1,374)
Allowance for inventory writedown		(1,103)	(1,276)
Environmental costs		(583)	(643)
Other operating expenses		(8,577)	(7,493)
Loss from operations before tax	9	(963)	(2,297)
Taxation	12	(514)	714
Loss for the financial year		(1,477)	(1,583)
Other comprehensive income:			
Items that will not be classified subsequently to profit or loss			
Actuarial losses on gratuity scheme	27	(161)	(223)
Total comprehensive loss for the financial year		(1,638)	(1,806)
Attributable to:			
Shareholders of the Company		(1,638)	(1,806)
Loss per share:			
- basic (sen)	13(a)	(1.12)	(1.20)
- diluted (sen)	13(b)	(1.12)	(1.20)

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

Company Statement of Comprehensive Income

for the financial year ended 31 March 2015

	Note	Company 2015 RM'000	Company 2014 RM'000
Revenue	7	279,600	250,139
Other operating income	8	2,714	2,365
Changes in inventories of raw materials, work-in-progress and finished goods		3,534	(2,810)
Raw materials and consumables used		(222,790)	(190,396)
Staff costs	10	(23,096)	(24,245)
Utilities and fuel		(15,200)	(13,857)
Depreciation of property, plant and equipment		(9,743)	(10,672)
Upkeep, repairs and maintenance of assets		(5,078)	(5,349)
Technical fees		(833)	(854)
Allowance for inventory writedown		(786)	(1,103)
Environmental costs		(494)	(496)
Other operating expenses		(7,038)	(6,915)
Profit/(loss) from operations before tax	9	790	(4,193)
Taxation	12	(753)	1,144
Profit/(loss) for the financial year		37	(3,049)
Other comprehensive income/(loss):			
Items that will not be classified subsequently to profit or loss			
Actuarial gains/(losses) on gratuity scheme	27	45	(236)
Total comprehensive income/(loss) for the financial year		82	(3,285)

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

Statements of Financial Position

as at 31 March 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	83,048	89,596	73,830	78,820
Subsidiaries	16	-	-	26,860	26,860
		83,048	89,596	100,690	105,680
CURRENT ASSETS					
Inventories	17	54,611	44,225	43,048	36,682
Trade receivables	18	27,098	23,490	14,370	10,097
Amounts due from related companies	19	26	171	11,828	9,731
Other receivables and prepayments	20	1,439	911	1,267	865
Tax recoverable		-	450	-	305
Derivative financial instruments	21	-	371	-	103
Deposit, cash and bank balances	22	62,045	55,701	45,665	40,091
		145,219	125,319	116,178	97,874
LESS: CURRENT LIABILITIES					
Trade payables	23	29,488	16,925	27,758	15,011
Other payables and accruals	24	10,528	7,431	8,511	6,404
Amounts due to related companies	25	1,800	999	3,049	2,251
Provision for taxation		558	-	700	-
Derivative financial instruments	21	610	-	273	-
Borrowings	26	4,494	-	3,181	-
		47,478	25,355	43,472	23,666
NET CURRENT ASSETS		97,741	99,964	72,706	74,208
LESS: NON-CURRENT LIABILITIES					
Provision for gratuity scheme	27	6,426	6,333	5,961	5,609
Deferred taxation	28	5,756	6,369	4,466	4,779
		12,182	12,702	10,427	10,388
		168,607	176,858	162,969	169,500
CAPITAL AND RESERVES					
Share capital	29	134,331	134,331	134,331	134,331
Share premium		4,113	4,113	4,113	4,113
Other reserves	30	1,670	1,670	1,670	1,670
Revenue reserve	31	28,493	36,744	22,855	29,386
Total equity		168,607	176,858	162,969	169,500

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

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2015

		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 2014		134,331	134,331	4,113	1,670	36,744	176,858
Total comprehensive loss:							
Loss for the financial year		-	-	-	-	(1,477)	(1,477)
Actuarial losses on gratuity scheme	27	-	-	-	-	(161)	(161)
Total comprehensive loss for the financial year		-	-	-	-	(1,638)	(1,638)
Transaction with owners:							
Dividend for the financial year ended 31 March 2015 (paid)	14	-	-	-	-	(6,613)	(6,613)
At 31 March 2015		134,331	134,331	4,113	1,670	28,493	168,607
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 gratuity scheme	27	-	-	-	-	(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

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

Company Statement of Changes in Equity

for the financial year ended 31 March 2015

		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 2014		134,331	134,331	4,113	1,670	29,386	169,500
Total comprehensive loss:							
Profit for the financial year		-	-	-	-	37	37
Actuarial gains on gratuity scheme	27	-	-	-	-	45	45
Total comprehensive loss for the financial year		-	-	-	-	82	82
Transaction with owners:							
Dividend for the financial year ended 31 March 2015 (paid)	14	-	-	-	-	(6,613)	(6,613)
At 31 March 2015		134,331	134,331	4,113	1,670	22,855	162,969
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 gratuity scheme	27	-	-	-	-	(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

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

Statements of Cash Flows

for the financial year ended 31 March 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit for the financial year		(1,477)	(1,583)	37	(3,049)
Adjustments for:					
Net fair value loss/(gain) on currency forwards		981	(263)	376	(53)
Property, plant and equipment					
- depreciation		11,476	12,357	9,743	10,672
- gain on disposal		(4)	(188)	(4)	(188)
Provision for gratuity scheme		768	811	1,027	765
Allowance for inventory writedown		1,103	1,276	786	1,103
Unrealised foreign exchange (gain)/loss		(228)	111	152	7
Interest income		(808)	(844)	(564)	(523)
Interest expense		9	-	7	-
Taxation		514	(714)	753	(1,144)
		12,334	10,963	12,313	7,590
Changes in working capital:					
Inventories		(11,489)	1,003	(7,152)	2,494
Receivables		(3,523)	11,550	(4,478)	9,991
Payables		14,716	4,192	14,100	4,234
Balances with related companies		946	506	(1,299)	2,123
Cash from operations		12,984	28,214	13,484	26,432
Tax refunded		426	790	214	790
Tax paid		(545)	(910)	(275)	(431)
Gratuity paid		(283)	(1,123)	(283)	(1,123)
Net cash from operating activities		12,582	26,971	13,140	25,668

Statements of Cash Flows (cont'd)

for the financial year ended 31 March 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- purchases		(4,891)	(8,701)	(4,698)	(8,098)
- proceeds from disposal		7	555	7	555
Interest income received		808	844	564	523
Net cash used in investing activities		(4,076)	(7,302)	(4,127)	(7,020)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid to shareholders		(6,613)	-	(6,613)	-
Drawdown of borrowings		4,494	-	3,181	-
Interest paid		(9)	-	(7)	-
Net cash used in financing activities		(2,128)	-	(3,439)	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		6,378	19,669	5,574	18,648
Foreign exchange differences		(34)	(36)	-	(14)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		55,468	35,835	39,858	21,224
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	22	61,812	55,468	45,432	39,858

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 RM1,208,000 (2014: RM1,168,000) and RM1,152,000 (2014: RM1,094,000) (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 2015

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 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:

- Amendments to MFRS 132 "Offsetting Financial Assets and Financial Liabilities"
- Amendments to MFRS 136 "Recoverable Amount Disclosures for Non-Financial Assets"
- Amendments to MFRS 139 "Novation of Derivatives and Continuation of Hedge Accounting"
- Amendments to MFRS 10, MFRS 12 and MFRS 127 "Investment Entities"
- IC Interpretation 21 "Levies"

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

2 BASIS OF PREPARATION (CONT'D)

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

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

(i) Financial year beginning on/after 1 April 2015
- Annual Improvements to MFRSs 2010 - 2012 Cycle (MFRS 3 "Business Combinations", MFRS 8 "Operating Segments", MFRS 13 "Fair Value Measurement", MFRS 116 "Property, Plant and Equipment" and MFRS 124 "Related Party Disclosures")
- Annual Improvements to MFRSs 2011 - 2013 Cycle (MFRS 3 "Business Combinations" and MFRS 13 "Fair Value Measurement")
- Amendments to MFRS 119 "Defined Benefits Plans: Employee Contributions"

(ii) Financial year beginning on/after 1 April 2016
- MFRS 14 "Regulatory Deferral Accounts"
- Amendments to MFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- Amendments to MFRS 116 "Clarification of Acceptable Methods of Depreciation and Amortisation"
- Amendments to MFRS 10 "Consolidated Financial Statements"
- Amendments to MFRS 127 "Separate Financial Statements" - Equity accounting in separate financial statements
- Annual Improvements to MFRSs 2012 - 2014 Cycle (Amendments to MFRS 5 "Non-current Assets Held for sale and Discontinued Operations", MFRS 7 "Financial Instruments: Disclosures", MFRS 119 "Employee Benefits" and MFRS 134 "Interim Financial Reporting")

(iii) Financial year beginning on/after 1 April 2017
- MFRS 15 "Revenue"

(iv) Financial year beginning on/after 1 April 2018
- MFRS 9 "Financial instruments"

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

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Subsidiaries (cont'd)

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.

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.

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, any gain or losses arising from such re-measurement are recognised in profit or loss.

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.

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.

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

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

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

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

Residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

At the end of the 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 (CONT'D)

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of 3 months or less.

(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.

<u>Financial assets at fair value through profit or loss</u>

Financial assets held for trading are categorised as financial assets at fair value through profit or loss. Financial assets held for trading are assets that are 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.

<u>Loans and receivables</u>

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 prepayments) and 'cash and cash equivalents' in the statement 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

(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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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.

(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 statement 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial liabilities (cont'd)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading. Derivatives are categorised as held for trading unless they are designated as effective hedging instruments.

Other financial liabilities

The Group's other financial liabilities include trade and other payables and amounts due to subsidiary and related companies. The other financial liabilities 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.

Financial liabilities are classified as current liabilities for those having maturity dates of less than 12 months after the reporting period, and the balance is classified as non-current.

(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) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Provisions

Provisions are recognised when:
(i) the Group has a present legal or constructive obligation as a result of past events;
(ii) it is probable that an outflow of resources will be required to settle the obligation; and
(iii) a reliable estimate of the amount can be made.

When the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

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.

(n) Employee benefits

(i) Short-term employee benefits

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.

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.

(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.

Defined contribution plan

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 (CONT'D)

(n) Employee benefits (cont'd)

(ii) Post-employment pension benefits (cont'd)

Defined benefit plan

The Group operates an unfunded defined benefit plan, taking into account of the advice of independent qualified actuaries who carry out a full valuation of the gratuity scheme every year. The liability recognised in the statement of financial position in respect of defined benefit gratuity scheme is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

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

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in the profit or loss in employee benefit expense, except where included in the cost of an asset.

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.

(o) 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.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Current and deferred income taxes (cont'd)

Deferred tax assets are recognised on deductible temporary differences arising from investment in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deduction temporary difference can be utilised.

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.

(p) 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.

(q) Contingent assets and contingent liabilities

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. However, contingent liabilities do not include financial guarantee contracts.

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.

(r) 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 (CONT'D)

(s) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividend distribution

Distributions to holders of an equity instrument is recognised directly in equity 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.

(t) 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, rebates and discounts 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. 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.

(u) 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.

(v) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Financial guarantee contracts (cont'd)

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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency exchange risk (cont'd)

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 2015	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
FINANCIAL ASSETS				
Trade receivables	20,636	57	-	20,693
Other receivables	708	-	52	760
Amounts due from related companies	26	-	-	26
Cash and cash equivalents	1,211	27	6	1,244
	22,581	84	58	22,723
LESS: FINANCIAL LIABILITIES				
Trade payables	(22,141)	(6)	(17)	(22,164)
Other payables and accruals	(1,010)	-	(65)	(1,075)
Amounts due to related companies	(1,800)	-	-	(1,800)
Borrowings	(4,388)	-	-	(4,388)
	(29,339)	(6)	(82)	(29,427)
NET FINANCIAL ASSETS/ (LIABILITIES)	(6,758)	78	(24)	(6,704)
LESS: CURRENCY FORWARDS	(3,996)	-	-	(3,996)
NET CURRENCY EXPOSURE	(10,754)	78	(24)	(10,700)

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 2015	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
FINANCIAL ASSETS				
Trade receivables	9,198	57	-	9,255
Other receivables	708	-	52	760
Amounts due from related companies	26	-	-	26
Cash and cash equivalents	2	27	6	35
	9,934	84	58	10,076
LESS: FINANCIAL LIABILITIES				
Trade payables	(22,096)	(6)	-	(22,102)
Other payables and accruals	(514)	-	(8)	(522)
Amounts due to related companies	(1,800)	-	-	(1,800)
Borrowings	(3,181)	-	-	(3,181)
	(27,591)	(6)	(8)	(27,605)
NET FINANCIAL ASSETS/(LIABILITIES)	(17,657)	78	50	(17,529)
LESS: CURRENCY FORWARDS	6,888	-	-	6,888
NET CURRENCY EXPOSURE	(10,769)	78	50	(10,641)

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency exchange risk (cont'd)

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

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
Amounts due from related companies	170	-	-	170
Cash and cash equivalents	9,289	26	7	9,322
	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
Amounts due from related companies	170	-	-	170
Cash and cash equivalents	3,623	26	7	3,656
	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)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency exchange risk (cont'd)

The following table demonstrates the sensitivity of the Group's and the Company's net (loss)/profit after tax to 5% (2014: 5%) strengthening of USD, respectively against the RM, with all other variables, in particular interest rates, being held constant.

	Increase/(decrease)	
	Net loss after tax 2015 RM'000	Net loss after tax 2014 RM'000
Group		
USD against RM	403	419

	Increase/(decrease)	
	Net profit after tax 2015 RM'000	Net loss after tax 2014 RM'000
Company		
USD against RM	(404)	403

A 5% weakening of the above currency 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 and the Company'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 and the Company 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 and of the Company.

(b) Interest rate risk

The Group's and the Company's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group and the Company consider the risk of significant changes to interest rates on deposits to be unlikely.

Interest rate exposure arises mainly from the Group's and the Company's short-term borrowings. The Group and the Company manage its interest rate exposure by closely monitoring the interest rate fluctuation.

(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.

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (cont'd)

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.

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 and the Company'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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not past due	86,778	77,367	70,076	59,331
Past due not impaired				
- 0 to 3 months	2,613	2,229	1,988	800
	89,391	79,596	72,064	60,131

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 and the Company 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables	2,613	2,229	1,988	800

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 and the Company are 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 (CONT'D)

(d) Liquidity risk

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

At reporting date, the Group and the Company held cash and cash equivalents of RM61,812,000 (2014: RM55,468,000) and RM45,432,000 (2014: RM39,858,000) 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	
	2015	**2014**
GROUP	**RM'000**	**RM'000**
FINANCIAL LIABILITIES		
Trade payables	(29,488)	(16,925)
Other payables and accruals	(9,876)	(7,171)
Amount due to related companies	(1,800)	(999)
Borrowings	(4,497)	-
	(45,661)	(25,095)
COMPANY		
FINANCIAL LIABILITIES		
Trade payables	(27,758)	(15,011)
Other payables and accruals	(7,859)	(6,144)
Amount due to related companies	(3,049)	(2,251)
Borrowings	(3,183)	-
	(41,849)	(23,406)

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	
	2015	**2014**
GROUP	**RM'000**	**RM'000**
GROSS-SETTLED CURRENCY FORWARDS		
Hedge of trade receivables:		
- Receipts in RM	10,884	24,730
- Payments in USD	(11,221)	(24,359)
Hedge of trade payables:		
- Receipts in USD	6,615	-
- Payments in RM	(6,888)	-

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (cont'd)

	Due within one year	
COMPANY	**2015 RM'000**	**2014 RM'000**
GROSS-SETTLED CURRENCY FORWARDS		
Hedge of trade receivables:		
- Receipts in RM	-	8,096
- Payments in USD	-	(7,993)
Hedge of trade payables:		
- Receipts in USD	6,615	-
- Payments in RM	(6,888)	-

(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, borrowings, 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 2015:

GROUP

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
LIABILITIES				
Derivative financial instruments	-	(610)	-	(610)

COMPANY

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
LIABILITIES				
Derivative financial instruments	-	(273)	-	(273)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Fair value (cont'd)

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

GROUP

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

COMPANY

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

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 and the Company make 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 and the Company'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 and the Company assess 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 the Group's and the Company'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 and the Company recognise 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 (cont'd)

for the financial year ended 31 March 2015

6 CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company'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 and the Company may adjust the amount of dividend payment, return capital to shareholders and issue new shares or buy back issued shares.

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

7 REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of finished goods	279,540	258,622	279,428	249,599
Sale of scrap and tolling charges	172	547	172	540
	279,712	259,169	279,600	250,139

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest income on short-term deposits	808	844	564	523
Gain on disposal of property, plant and equipment	4	188	4	188
Rental income	-	-	1,140	744
Management service fees	-	-	888	888
Miscellaneous income	118	31	118	22
	930	1,063	2,714	2,365

9 PROFIT/(LOSS) FROM OPERATIONS BEFORE TAX

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) from operations before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- current year	203	199	142	141
- under provision in prior year	7	2	7	2
Hire of machinery and equipment	422	463	389	407
(Gain)/Loss on foreign exchange				
- realised	(1,767)	(107)	(574)	183
- unrealised	(228)	111	152	7
Net fair value loss/(gain) on currency forwards	981	(263)	376	(53)
Interest expense	9	-	7	-

The cost of goods sold for the Group and the Company recognised as an expense during the financial year amounted to RM270,030,000 and RM268,062,000 respectively (2014: RM251,310,000 and RM245,235,000).

10 STAFF COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	20,664	22,973	18,429	20,627
Defined contribution retirement plan	2,294	2,049	2,152	1,924
Defined benefit gratuity scheme	607	588	1,072	529
Other employee benefits	1,509	1,273	1,443	1,165
	25,074	26,883	23,096	24,245

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Non-executive Directors:				
- fees	136	136	136	136
Executive Directors:				
- salaries and bonus	470	734	470	734
- estimated monetary value of benefits-in-kind	160	585	160	585
	630	1,319	630	1,319
	766	1,455	766	1,455

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

12 TAXATION

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current tax				
Current year	1,127	457	1,066	127
Under provision in prior years	-	174	-	90
	1,127	631	1,066	217
Deferred taxation (Note 28)				
Origination and reversal of temporary differences	(613)	(1,345)	(313)	(1,361)
Tax expense/(credit)	514	(714)	753	(1,144)

12 TAXATION (CONT'D)

The explanation of the relationship between tax expense/(credit) and profit/(loss) before tax is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Loss)/Profit before tax	(963)	(2,297)	790	(4,193)
Tax calculated at the Malaysian tax rate of 25% (2014: 25%)	(241)	(574)	197	(1,048)
Tax effects of:				
- expenses not deductible for tax purposes	818	462	573	394
- double deduction claims	(63)	(70)	(17)	(16)
- change in future applicable income tax rate	-	(317)	-	(254)
- under provision in prior years	-	174	-	90
- under recognition of deductible temporary differences in prior years	-	(389)	-	(310)
Tax expense/(credit)	514	(714)	753	(1,144)

13 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the Group's net loss 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	
	2015	**2014**
Net loss attributable to shareholders (RM'000)	(1,477)	(1,583)
Weighted average number of ordinary shares in issue ('000)	132,252	132,252
Basic loss per share (sen)	(1.12)	(1.20)

(b) Diluted earnings per share

	Group	
	2015	**2014**
Diluted earnings per share (sen)	(1.12)	(1.20)

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

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

14 DIVIDEND

	Group and Company			
	2015		2014	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
SINGLE-TIER INTERIM DIVIDEND				
Financial year ended 31 March 2015				
- paid on 12 August 2014	5.0	6,613	-	-
Recognised as distribution to ordinary equity holders of the Company during the financial year	5.0	6,613	-	-

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2015.

15 PROPERTY, PLANT AND EQUIPMENT

	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
Group						
2015						
At 1 April 2014	14,060	9,074	60,304	3,157	3,001	89,596
Additions	-	746	1,708	395	2,082	4,931
Disposals	-	-	-	(3)	-	(3)
Reclassifications	-	71	2,119	817	(3,007)	-
Depreciation charge	(190)	(934)	(8,925)	(1,427)	-	(11,476)
At 31 March 2015	13,870	8,957	55,206	2,939	2,076	83,048
At 31 March 2015						
Cost	20,000	27,715	275,151	9,872	2,076	334,814
Accumulated depreciation	(6,130)	(18,758)	(219,820)	(6,933)	-	(251,641)
Accumulated impairment losses	-	-	(125)	-	-	(125)
Net carrying amount	13,870	8,957	55,206	2,939	2,076	83,048
2014						
At 1 April 2013	14,249	9,900	65,573	2,472	1,597	93,791
Additions	-	-	39	769	7,721	8,529
Disposals	-	-	(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

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	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
Company						
2015						
At 1 April 2014	14,060	9,074	49,909	2,971	2,806	78,820
Additions	-	746	1,679	388	1,943	4,756
Disposals	-	-	-	(3)	-	(3)
Reclassifications	-	71	1,970	771	(2,812)	-
Depreciation charge	(190)	(934)	(7,322)	(1,297)	-	(9,743)
At 31 March 2015	13,870	8,957	46,236	2,830	1,937	73,830
At 31 March 2015						
Cost	20,000	27,715	236,782	9,300	1,937	295,734
Accumulated depreciation	(6,130)	(18,758)	(190,546)	(6,470)	-	(221,904)
Net carrying amount	13,870	8,957	46,236	2,830	1,937	73,830
2014						
At 1 April 2013	14,249	9,900	53,678	2,377	1,511	81,715
Additions	-	-	-	720	7,424	8,144
Disposals	-	-	(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

Impairment assessment of the Company's property, plant and machinery

Based on management's assessment, the recoverable amount of property, plant and machinery as at 31 March 2015 of the Company, based on value-in-use ("VIU") is RM77.1 million, which is in excess of its carrying amount of RM69.1 million by RM8.0 million. On this basis, management is of the view that no impairment is necessary with respect to land, 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.

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment assessment of the Company's property, plant and machinery (cont'd)

(a) Key assumptions used in the VIU calculation (cont'd)

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.
- Factory cost savings of 0.5%to 1.3% per annum during the 5-year budget.
- Terminal value based on 10 years beyond the 5-year budget.
- A discount rate of 9.8% 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 10.8%, the recoverable amount would be lower by RM5.2 million.
- If the conversion margin differs by 1% from management's estimates, the recoverable amount would be higher or lower by RM1.9 million.
- If the sales volume differs by 2% from management's estimates, the recoverable amount would be higher or lower by RM2.7 million.

Impairment assessment of the subsidiary's plant and machinery

Based on management's assessment, the recoverable amount of plant and machinery as at 31 March 2015 of the subsidiary, based on value-in-use ("VIU") is RM22.3 million, which is in excess of its carrying amount of RM9.0 million by RM13.3 million. On this basis, management is of the view that no impairment is necessary with respect to 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.

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.
- Factory cost savings of 0.1%to 1.3% per annum during the 5-year budget.
- Terminal value based on 10 years beyond the 5-year budget.
- A discount rate of 9.8% has been applied to the cash flow projections.

(b) Impact of possible change in key assumptions

The subsidiary'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 10.8%, the recoverable amount would be lower by RM1.6 million.
- If the conversion margin differs by 1% from management's estimates, the recoverable amount would be higher or lower by RM3.6 million.
- If the sales volume differs by 2% from management's estimates, the recoverable amount would be higher or lower by RM0.7 million.

16 SUBSIDIARIES

	Company 2015 RM'000	Company 2014 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 2015 %	Company's effective interest 2014 %
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

* In the process of strike off under Section 308(1) of the Companies Act, 1965.

17 INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Raw materials	9,172	3,553	7,679	2,507
Work-in-progress	23,969	22,940	22,548	20,626
Finished goods	11,597	6,687	4,699	4,746
Operating supplies and spare parts	9,873	11,045	8,122	8,803
	54,611	44,225	43,048	36,682

18 TRADE RECEIVABLES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Trade receivables	27,098	23,490	14,370	10,097
Less: Allowance for impairment	-	-	-	-
	27,098	23,490	14,370	10,097

Credit terms of trade receivables of the Group and the Company range from 7 days to 90 days (2014: 7 days to 75 days).

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

19 AMOUNTS DUE FROM RELATED COMPANIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade				
Amount due from:				
- a subsidiary company	-	-	11,405	9,151
Non-trade				
Amounts due from:				
- a subsidiary company	-	-	397	409
- other related companies	26	171	26	171
	26	171	423	580
Total	26	171	11,828	9,731

The trade balances due from a subsidiary company are unsecured, interest free and have credit terms ranging from 30 to 60 days (2014: 30 to 60 days). The non-trade balances due from a subsidiary company and other related companies are unsecured, interest free and have no fixed terms of repayment.

20 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Prepayments and advances	1,217	677	1,066	653
Deposits	216	199	197	181
Other receivables	6	35	4	31
Total	1,439	911	1,267	865

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2015		2014	
	Notional amount	Fair value	Notional amount	Fair value
	RM'000	RM'000	RM'000	RM'000
(Liabilities)/Assets				
Forward foreign currency exchange contracts	3,996	(610)	24,730	371

21 DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	Company			
	2015		2014	
	Notional amount RM'000	Fair value RM'000	Notional amount RM'000	Fair value RM'000
(Liabilities)/Assets				
Forward foreign currency exchange contracts	(6,888)	(273)	8,096	103

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 day 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 deficit net position of RM610,000 (2014: surplus of RM371,000) and RM273,000 (2014: surplus of RM103,000) 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	51,769	45,117	41,291	35,742
Cash and bank balances	10,276	10,584	4,374	4,349
	62,045	55,701	45,665	40,091
Less: Restricted cash and equivalents*				
Deposit with licensed bank	(233)	(233)	(233)	(233)
	61,812	55,468	45,432	39,858

* 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	
	2015 %	2014 %	2015 %	2014 %
Deposits with licensed banks	3.07	3.00	3.08	3.08

The deposits of the Group and the Company comprise of overnight placements (2014: overnight placements). Bank balances are deposits held at call with banks and are non-interest bearing.

23 TRADE PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables	27,402	13,371	25,796	11,726
Trade related accruals	2,086	3,554	1,962	3,285
	29,488	16,925	27,758	15,011

Credit terms of trade payables granted to the Group and the Company range from 7 days to 90 days (2014: 7 days to 90 days) from month end.

24 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Plant and equipment suppliers payable	1,208	1,168	1,152	1,094
Payroll related accruals				
- provision for gratuity scheme (Note 27)	652	260	652	260
- others	3,912	4,057	3,624	3,774
Other accruals and sundry payables	4,756	1,946	3,083	1,276
	10,528	7,431	8,511	6,404

25 AMOUNTS DUE TO RELATED COMPANIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade				
Amount due to:				
- a subsidiary company	-	-	1,049	1,052
Non-trade				
Amount due to:				
- a subsidiary company	-	-	200	200
- other related companies	1,800	999	1,800	999
Total	1,800	999	3,049	2,251

The trade balances due to a subsidiary company are unsecured, interest free and have credit terms of 7 days to 30 days (2014: 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 BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Bankers' acceptance	106	-	-	-
Onshore foreign currency loans	4,388	-	3,181	-
Total	4,494	-	3,181	-

The weighted average effective interest rates on borrowings are as follows:

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Borrowings	1.07	-	1.00	-

The bankers' acceptance and onshore foreign currency loans are unsecured and have a tenure to maturity of less than a year.

27 PROVISION FOR GRATUITY SCHEME

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Defined benefit gratuity scheme				
At beginning of the year	6,593	6,905	5,869	6,227
Charged to the statement of comprehensive income*	768	811	1,027	765
Gratuity paid	(283)	(1,123)	(283)	(1,123)
At end of the year	7,078	6,593	6,613	5,869
Represented by:				
Present value of unfunded obligations	7,078	6,593	6,613	5,869
Reflected in the statement of financial position as:				
Current (Note 24)	652	260	652	260
Non-current	6,426	6,333	5,961	5,609
	7,078	6,593	6,613	5,869

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

27 PROVISION FOR GRATUITY SCHEME (CONT'D)

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Defined benefit gratuity scheme				
At beginning of the year	6,593	6,905	5,869	6,227
Current service cost	317	334	281	301
Interest cost	290	254	257	228
Actuarial losses/(gains)	161	223	(45)	236
Gratuity paid	(283)	(1,123)	(283)	(1,123)
Transferred from subsidiary company	-	-	534	-
At end of the year	7,078	6,593	6,613	5,869

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current service cost	317	334	281	301
Interest cost	290	254	257	228
Actuarial losses/(gains)	161	223	(45)	236
Transferred from subsidiary company	-	-	534	-
	768	811	1,027	765

The principal actuarial assumptions used in respect of the defined benefit gratuity scheme are as follows:

	Group and Company	
	2015	2014
	%	%
Discount rate	3.8	4.4
Expected average rate of salary increases	5.0	5.0

The Group and the Company operates an unfunded final salary defined benefit gratuity scheme 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 2015.

27 PROVISION FOR GRATUITY SCHEME (CONT'D)

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

	2015 RM'000	2014 RM'000
Group		
Present value of unfunded obligations	7,078	6,593
Experience loss adjustment on plan liabilities	161	223
Company		
Present value of unfunded obligations	6,613	5,869
Experience (gain)/loss adjustment on plan liabilities	(45)	236

28 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax liabilities:				
At beginning of the year	6,369	7,714	4,779	6,140
Credited to statement of comprehensive income (Note 12):				
- property, plant and equipment	(341)	(1,177)	(116)	(868)
- provisions and allowances	(272)	(168)	(197)	(493)
	(613)	(1,345)	(313)	(1,361)
At end of the year	5,756	6,369	4,466	4,779

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	10,297	10,638	8,535	8,651
Offsetting	(4,541)	(4,269)	(4,069)	(3,872)
Deferred tax liabilities (after offsetting)	5,756	6,369	4,466	4,779
Deferred tax assets (before offsetting)				
- provisions and allowances	(4,541)	(4,269)	(4,069)	(3,872)
Offsetting	4,541	4,269	4,069	3,872
Deferred tax assets (after offsetting)	-	-	-	-

29 SHARE CAPITAL

	Group and Company	
	2015	2014
	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 2015, the Company did not repurchase any of its issued share capital from the open market (2014: Nil). Shares repurchased are being held as treasury shares (Note 30) 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 (2014: 134,330,848) issued and fully paid ordinary shares, 2,079,000 (2014: 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 (2014: 132,251,848) ordinary shares of RM1.00 each.

30 OTHER RESERVES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	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.

31 REVENUE RESERVE

The Company is under the single tier tax system with effect from year of assessment 2014 and hence, there is no restriction on the Company to declare the payment of dividends out of its retained earnings.

32 CAPITAL COMMITMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements are as follows:				
- contracted	1,275	680	1,275	680
- not contracted	362	448	272	367
	1,637	1,128	1,547	1,047

33 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 undertake, 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income				
Sales of finished goods to:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	115,049	109,595
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	-	-	1,140	744

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

33 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(a) Related party transactions (cont'd)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Expenditure				
Purchases of scrap from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	9,516	8,814
Purchases of metal from:				
- Novelis Korea Limited ULSAN PL, a related company incorporated in Korea	1,977	308	1,977	308
Technical service fees charged by:				
- Novelis Inc., immediate holding company	1,250	1,311	833	854

(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 and the Company either directly or indirectly. Key management personnel include the Directors and certain members of senior management of the Group and of the Company. The remuneration below is inclusive of home country salary and other benefit payments made to expatriate staff.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Key management remuneration:				
- salaries and bonus	2,040	2,195	1,491	1,586
- defined contribution retirement plan	166	70	166	70
- estimated monetary value of benefits-in-kind	255	750	174	671
	2,461	3,015	1,831	2,327

34 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loan and receivables				
Current				
Trade receivables	27,098	23,490	14,370	10,097
Amounts due from related companies	26	171	11,828	9,731
Other receivables (excluding prepayments and advances)	222	234	201	212
Cash and cash equivalents	62,045	55,701	45,665	40,091
	89,391	79,596	72,064	60,131

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Financial (liabilities)/assets at fair value through profit or loss				
Derivative financial instruments	(610)	371	(273)	103
Other financial liabilities at amortised cost				
Current				
Trade payables	(29,488)	(16,925)	(27,758)	(15,011)
Other payables and accruals (excluding provision for gratuity scheme)	(9,876)	(7,171)	(7,859)	(6,144)
Amounts due to related companies	(1,800)	(999)	(3,049)	(2,251)
Borrowings	(4,494)	-	(3,181)	-
	(45,658)	(25,095)	(41,847)	(23,406)

34 FINANCIAL INSTRUMENTS (CONT'D)

(b) Expenses, gains and losses on financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Derivatives				
Net fair value loss/(gain) on currency forwards	981	(263)	376	(53)
Loan and receivables				
Interest income on short-term deposits	(808)	(844)	(564)	(523)
Borrowings				
Interest expense on short-term borrowings	9	-	7	-

35 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	
	2015 RM'000	2014 RM'000
Malaysia *	107,656	102,965
Asia	164,046	144,165
Other regions	8,010	12,039
	279,712	259,169

* Included in sales to Malaysian customers are sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM24,096,000 (2014: RM21,475,000).

Revenues of the Group of approximately RM45,466,000 (2014: RM57,391,000) are derived from a single external customer.

36 SIGNIFICANT EVENT

On 24 November 2014, the Company made an application to Companies Commission of Malaysia ("CCM") to strike off a wholly owned subsidiary, AL Dotcom Sdn. Bhd. ("AL Dotcom") from the register of the CCM under Section 308(1) of the Companies Act, 1965.

AL Dotcom has not carried on business since its incorporation on 14 August 2000.

The striking off of AL Dotcom has no material effect on the net assets and earnings per share of the Group for the current financial year.

37 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 May 2015.

Notes to the Financial Statements (cont'd)

for the financial year ended 31 March 2015

38 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 2015 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 or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained profits of the Company and its subsidiaries				
- Realised	40,071	46,861	19,211	25,418
- Unrealised	4,159	4,529	3,644	3,968
	44,230	51,390	22,855	29,386
Less: Consolidation adjustments	(15,737)	(14,646)	-	-
Retained profits as per financial statements	28,493	36,744	22,855	29,386

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 Heon Chee Shyong, 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 66 to 112 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 2015 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 the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965.

The information set out in Note 38 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 Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 May 2015.

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

HEON CHEE SHYONG
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 66 to 112 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 27 May 2015 before me.

PESURUHJAYA SUMPAH
No: B413
Nama: AZMI BIN ISHAK
MALAYSIA
No. 31-1, Tingkat Sa
Jalan Tiara 2B
Bandar Baru Klang
41150 Klang, Selangor

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 66 to 111 which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of 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 37.

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 is 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 judgement, 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 entity's preparation of 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 entity'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 2015 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.

(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.

Independent Auditors' Report (cont'd)

to the members of Aluminium Company Of Malaysia Berhad
(Incorporated in Malaysia)
(Company No. 003859 U)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 112 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. 2092/09/16 (J))
Chartered Accountant

Kuala Lumpur
27 May 2015

Property Held by the Group

as at 31 March 2015

Location	Description	Tenure	Land Area	Approximate Built up Area (sq.meter)	Age of Building (years)	Net Book Value	Year of revaluation
No. 3, Persiaran Waja Kawasan Perindustrian Bukit Raja 41050 Klang, Selangor Darul Ehsan	Factory and office building	99 years leasehold Expiring in year 2088	12.1 hectares	45,159 sq meter	Range from 24 to 33	RM22.8 million	1985

Analysis of Shareholdings

as at 30 June 2015

ANALYSIS BY SIZE OF SHAREHOLDINGS

Category	No. of Holders	%	No. of Shares	%
Less than 100	242	6.91	4,949	0.00
101 - 1,000	731	20.86	596,990	0.45
1,001 - 10,000	1763	50.31	8,525,824	6.45
10,001 - 100,000	682	19.46	19,837,206	15.00
100,001 to less than 5% of issued shares	85	2.43	25,052,825	18.94
5% and above of issued shares	1	0.03	78,234,054	59.16
TOTAL	**3,504**	**100.00**	**132,251,848**	**100**

LIST OF DIRECTORS' SHAREHOLDINGS

No	Name	No. of Shares	%
1	Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR	0	0.00
2	HEON CHEE SHYONG	0	0.00
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	JAMES F. MAKKI	0	0.00

SUBSTANTIAL SHAREHOLDERS

No	Name	No. of Shares	%
1	NOVELIS INC 78,234,054 shares held through own name	78,234,054	59.16

30 LARGEST SHAREHOLDERS

	Name and Address	No. of Shares	%
1.	NOVELIS INC.	78,234,054	59.16
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KOK THYE	1,333,300	1.01
3.	WONG SOO CHAI @ WONG CHICK WAI	1,319,500	1.00
4.	TOH KAM CHOY	1,271,000	0.96
5.	LIM KIAN HUAT	776,000	0.59
6.	YEOH AH TU	742,200	0.56
7.	ADDEEN CONSULTANCY & MANAGEMENT SDN. BHD	715,600	0.54
8.	SING FOONG YIN	692,000	0.52
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KOK THYE (E-SPI)	683,300	0.52

Analysis of Shareholdings (cont'd)

as at 30 June 2015

30 LARGEST SHAREHOLDERS (CONT'D)

	Name and Address	No. of Shares	%
10.	CHONG KOK FAH	628,000	0.47
11.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN YIN PENG	605,000	0.46
12.	LEE YU YONG @ LEE YUEN YING	590,100	0.45
13.	YEOH PHEK LENG	580,000	0.44
14.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	574,500	0.43
15.	LIM KA EA	551,600	0.42
16.	TAY KAK CHOK	546,200	0.41
17.	LOH LOON TEIK SDN BHD	502,300	0.38
18.	TANG YET SIONG @ TANG YIK SIONG	489,500	0.37
19.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	475,000	0.36
20.	LIEW KON MUN	437,100	0.33
21.	RHB NOMINEES (TEMPATAN) SDN BHD OSK TRUSTEES BERHAD FOR THE DIVINE VISION TRUST	419,100	0.32
22.	GOH BENG BENG	394,000	0.30
23.	WENTEL CORPORATION SDN BHD	384,000	0.29
24.	LIM BEE HOE	334,600	0.25
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD YEOH AH TU	317,000	0.24
26.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KAVI NISHA KAUR (8064006)	303,500	0.23
27.	SEN AH KOW @ CHENG LIP KONG	300,000	0.23
28.	LOH TEIK CHYE @ LOH LOON TEIK	292,000	0.22
29.	LIM KUI HUA	290,000	0.22
30.	KHOR MEOW SIANG	286,000	0.22
	TOTAL:	**95,066,454**	**71.88**

ALUMINIUM COMPANY OF MALAYSIA BERHAD
(3859-U)

alcom

FORM OF PROXY
Fifty-Fourth Annual General Meeting

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-Fourth 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, 26 August 2015 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. Paul Allen Stadnikia as Director			
Ordinary Resolution 2	Re-election of Mr. Heon Chee Shyong as Director			
Ordinary Resolution 3	Re-election of Mr. James F. Makki as Director			
Ordinary Resolution 4	Re-appointment of Dato' Kok Wee Kiat as Director			
Ordinary Resolution 5	Re-appointment of Y.M. Tengku Yunus Kamaruddin as Director			
Ordinary Resolution 6	Approval of payment of Directors' Fee of RM136,000 for financial year ended 31 March 2015			
Ordinary Resolution 7	Approval of payment of Directors' Fee of RM163,000 for financial year ending 31 March 2016			
Ordinary Resolution 8	Re-appointment of Messrs PricewaterhouseCoopers as Auditors and to authorize the Directors to fix the Auditors' Remuneration			
Ordinary Resolution 9	Authority under Section 132D of the Companies Act, 1965, for the Directors to issue shares			
Ordinary Resolution 10	Proposed Renewal of Authority for the Purchase by the Company of its Own Shares			
Ordinary Resolution 11	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature			
Ordinary Resolution 12	Continuing in Office as Independent Non-Executive Chairman – Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar			
Ordinary Resolution 13	Continuing in Office as Independent Non-Executive Director – Dato' Kok Wee Kiat			
Ordinary Resolution 14	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 ______________________ 2015   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
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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

Tel No. : 603-77288485
Fax No. : 603-77288852
Email : cosec@norvic.com.my

Form of Proxy

2nd fold here

www.alcom.com.my

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

No.3, Persiaran Waja, Bukit Raja Industrial Estate,
41050 Klang, Selangor Darul Ehsan, Malaysia
Tel: 03-3346 6262 Fax: 03-3341 2793