



Aluminium Company of Malaysia Berhad (3859-U)



Contents

Awarded by Ministry of
International Trade and Industry

2	<i>Notice of Annual General Meeting</i>
5	<i>Statement Accompanying Notice of Annual General Meeting</i>
6	<i>Corporate Governance</i>
15	<i>Statement on Internal Control</i>
17	<i>Report of the Audit Committee</i>
20	<i>Board of Directors</i>
21	<i>Profile of Directors</i>
25	<i>Directorate & Corporate Information</i>
26	<i>Group Information</i>
27	<i>Five-Year Summary</i>
28	<i>Kenyataan Pengerusi/Chairman's Statement</i>
32	<i>Managing Directors' Review</i>
37	<i>Analysis of Shareholdings</i>
38	<i>Directors' Report</i>
42	<i>Consolidated Income Statement</i>
43	<i>Company Income Statement</i>
44	<i>Balance Sheets</i>
46	<i>Consolidated Statement of Changes in Equity</i>
47	<i>Company Statement of Changes in Equity</i>
48	<i>Cash Flow Statements</i>
50	<i>Notes to the Financial Statements</i>
83	<i>Statement By Directors</i>
83	<i>Statutory Declaration</i>
84	<i>Independent Auditors' Report</i>
86	<i>Property of the Group</i>
Enclosed	<i>Form of Proxy</i>



The Prime Minister's Award 2008
for Industry Excellence.
"The nation's highest recognition
for organisational excellence
and innovation"

The Prime Minister's Award 2008
for Product Excellence

COVER RATIONALE

"Change is vital to growth. We embrace it just as we did in surmounting earlier challenges, with fortitude, passion and the determination to materialize opportunities identified".



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting of Aluminium Company of Malaysia Berhad will be held at the Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 25 August 2009 at 11.45 a.m. for the following purposes:-

1. To receive the audited financial statements for the year ended 31 March 2009 and the reports of the directors and auditors thereon. (Please refer to Note A)
2. To re-elect Dato' Kok Wee Kiat who retires in accordance with Article 92(A) of the Articles of Association of the Company. (Resolution 1)
3. To re-elect Mr. Thomas L. Walpole who retires in accordance with Article 92(D) of the Articles of Association of the Company. (Resolution 2)
4. To re-elect Mr. Sachin Yeshawant Satpute who retires in accordance with Article 92(D) of the Articles of Association of the Company. (Resolution 3)
5. To approve directors' fees. (Resolution 4)
6. To re-appoint Messrs PricewaterhouseCoopers as auditors and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors. (Resolution 5)
7. **As Special Business**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"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." (Resolution 6)

8. **As Special Business**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"That, subject always to the Companies Act, 1965 ("CA"), the Memorandum and Articles of Association of the Company and all applicable laws, regulations and guidelines and the approvals of all relevant authorities, approval be and is hereby given to 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 Malaysia Securities Berhad ("BMSB") upon such terms and conditions as the Board may deem fit in the interest of the Company provided that 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 and that an amount not exceeding the retained profits and/or share premium accounts of the Company be allocated by the Company for the proposed purchase. The audited retained profits and share premium accounts of the Company as at 31 March 2009 are RM47,089,887 and RM4,113,085 respectively.

AND THAT 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 BMSB, where an appropriate announcement will be made to the relevant authorities once the intentions of the Board is known.

Notice of Annual General Meeting (continued)

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 Forty-Eighth 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, finalise 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." (Resolution 7)

9. As Special Business

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:

"That, subject always to the 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 29 July 2009 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 Forty-Eighth 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." (Resolution 8)

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



Notice of Annual General Meeting (continued)

By Order of the Board

ENG SOO FUNN (F) (MACS 00044)
LAM LEE SAN (F) (MAICSA 7048104)
Secretaries

Bukit Raja, Klang
Date: 29 July 2009

Note:

Directors' Report and the Financial Statements

- A. This Agenda item is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association do not require a formal approval of the shareholders and hence, is not put forward for voting.

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) 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) A member who is an authorised nominee may appoint at least one proxy in respect of each securities account it holds with ordinary shares standing to the credit of the said securities account.
- 4) 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.
- 5) 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:

Resolution 6

If passed, will empower the Directors of the Company to allot and issue new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest 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.

Notice of Annual General Meeting (continued)

Explanatory Notes on Special Business: (continued)

Resolution 7

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.

Resolution 8

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 29 July 2009 with regard to Ordinary Resolution 8.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the 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 21 to 24 of this annual report. Directors' interests in the securities of the Company are disclosed on page 39 of this annual report.





Corporate Governance

The Board of Directors of ALCOM is committed to ensuring that the highest standards of corporate governance are practised throughout the Group. The Board considers the practice essential to the Group's success and to enhancing shareholder value.

The Group has in place a variety of corporate governance and disclosure requirements. Our corporate governance practices are designed to comply with the Principles and Best Practices set out in the Malaysian Code on Corporate Governance ("Code"), the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and other applicable regulatory requirements.

The ALCOM Board along with all employees is also governed by a Code of Conduct which serves as a commitment to achieving the highest standards of business conduct. A critical component of our basic Company values, the Code of Conduct sets out the required tone of behaviour as a sustainable business and fosters a desirable corporate culture.

The Board regularly reviews corporate governance practices in light of developing requirements in this field. As new provisions come into effect, our board of directors will reassess our corporate governance practices and implement changes as and when appropriate.

Set out below is a statement which outlines the application of the Principles of the Code and compliance with the Best Practices as set out in Corporate Governance Practices for the financial year ended 31 March 2009.

BOARD OF DIRECTORS

The Board

The Board has the responsibility for stewardship of ALCOM Group, including the responsibility to ensure that the company is being properly managed in the interest of our shareholders as a whole, while taking into account the interests of other stakeholders. The Board supervises the management of the business and affairs and discharges its duties and obligations by reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and statutory requirements.

All directors are from diverse professional backgrounds with wide range of relevant business and financial experience to bring about independent judgement on issues of strategy, performance, resources and risks affecting the Group. A brief description on the background as well as profiles of each director is set out on pages 21 to 24 of the Annual Report.

Board Meetings

The Board which leads and controls the Company meets at least four (4) times a year. The Managing Director and Chief Financial Officer who attend the meetings present reports on Group performance comprehensive enough to enable the Board members to discharge their responsibilities.

During the financial year ended 31 March 2009, four (4) Board meetings were held and the details of the Board meetings and attendance of the Directors are listed as follows:-

Date of Meeting	Hour	Place
27 May 2008	11:45 a.m.	ALCOM, Bukit Raja, Klang
28 August 2008	10:15 a.m.	Hotel Armada, Petaling Jaya
24 November 2008	10:30 a.m.	ALCOM, Bukit Raja, Klang
24 February 2009	04:05 p.m.	ALCOM, Bukit Raja, Klang

Corporate Governance (continued)

BOARD OF DIRECTORS (continued)

Board Meetings (continued)

Details of attendance of the directors at meetings held in the financial year ended 31 March 2009 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	1 January 1996	4/4	100
Mr. Tan See Ping	1 June 2004	4/4	100
Y.M. Tengku Yunus Kamaruddin	27 December 2001	4/4	100
Mr. Keith Vincent Sodan #	26 February 2007	1/3	33.33
Mr. Thomas L. Walpole ##	24 November 2008	2/2	100

Note:

* Number of meetings attended/numbers of meetings held while in office.

Resigned on 24 November 2008.

Appointed on 24 November 2008.

Board Responsibilities

There is a clear and distinct division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority.

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 under the control of the Board and 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.

Committees are formed to assist in the effective functioning of the Board. The Board delegates specific responsibilities to three (3) Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, which operates 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 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.

Board Balance

ALCOM's Board as at end of the financial year had five (5) members comprising one independent non-executive Chairman, two independent non-executive directors, one non-independent non-executive directors and one non-independent executive director. The Chairman has never held any prior executive position 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.



Corporate Governance (continued)

BOARD OF DIRECTORS (continued)

Board Balance (continued)

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. They ensure that plans and strategies proposed by the management are fully discussed and examined, taking into account the long-term interests of all stakeholders of the Group (shareholders, employees, customers, suppliers, and the local community in which the Group conducts business).

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 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 Senior Independent Non-Executive Director.

Supply of Information

Prior to board meetings, all directors receive the agenda and full set of Board papers containing information relevant to the business of the meeting. Reports include key performance indicators; operational profitability and performance review statements, human resource developments, environment, occupational health and safety, business plans, 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.

Board members may obtain independent professional advice, in the furtherance of their duties at the Group's expense.

All directors 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.

Nomination Committee

The Nomination Committee is responsible for identifying, evaluating and recommending to the Board, suitable candidates to fill in Board vacancies as they occur. The Nomination Committee comprises the following directors:

Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar, (Chairman)
Dato' Kok Wee Kiat
Mr. Keith Vincent Sodan (Resigned on 24 November 2008)
Mr. Thomas L. Walpole (Appointed on 24 November 2008)

The Nomination Committee is empowered by the Board to deliberate and to present recommendations on appointments of new directors. The Committee also assesses and evaluates the effectiveness of the Board as a whole, the respective board committees and contribution of each individual director.

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 2009, the Nomination Committees met three times on 27 May 2008, 24 November 2008 and 24 February 2009. During these meetings, the Nomination Committee reviewed the board structure, size and composition; effectiveness of the Board, the various Board Committees and the contribution of each board member. The Committee in a meeting held during the financial year recommended after deliberation the nomination of Mr. Thomas L. Walpole to replace Mr. Keith Vincent Sodan as Director. The same Committee also nominated Mr. Thomas L. Walpole as a member of the Nomination Committee; a member of the Remuneration Committee and a member of the Audit Committee.

Corporate Governance (continued)

BOARD OF DIRECTORS (continued)

Nomination Committee (continued)

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

Name of Nomination Committee Member	No. of meeting attended while in office
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	3 / 3
Dato' Kok Wee Kiat	3 / 3
Mr. Keith Vincent Sodan (Resigned on 24 November 2008)	1 / 2
Mr. Thomas L. Walpole (Appointed on 24 November 2008)	1 / 1

Remuneration Committee

The Remuneration Committee comprises the following members:-

Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar, (Chairman)
Dato' Kok Wee Kiat
Mr. Keith Vincent Sodan (Resigned on 24 November 2008)
Mr. Thomas L. Walpole (Appointed on 24 November 2008)

During the financial year ended 31 March 2009, two (2) meetings were held on 27 May 2008 and 24 February 2009; and details on attendance of the members of the Remuneration Committee were as follows:-

Name of Remuneration Committee Member	No. of meetings attended while in office
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	2 / 2
Dato' Kok Wee Kiat	2 / 2
Mr. Keith Vincent Sodan (Resigned on 24 November 2008)	1 / 1
Mr. Thomas L. Walpole (Appointed on 24 November 2008)	1 / 1

ESOS Committee

The ESOS committee administers the employees' share option scheme of the Group. This committee has been given the authority by the Board to set out the policies and to implement the scheme in accordance with the provisions of the ESOS by-laws. Currently the composition of the committee is as follows:-

- i. Dato' Kok Wee Kiat (Independent non-executive director) - Chairman
- ii. Mr. Tan See Ping (Managing Director)
- iii. Mr. Krishna Prasad a/l Balakrishnan Nair (Chief Financial Officer)

The ESOS committee did not hold any meetings during the financial year ended 31 March 2009.

Directors' training

All the Directors have successfully completed the Mandatory Accreditation Program (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIIAM); an affiliate company of the Bursa Malaysia.





Corporate Governance (continued)

BOARD OF DIRECTORS (continued)

Directors' training (continued)

The Directors have during the financial year ended 31 March 2009, attended the following programs:

Name of Director/Directors	Particulars of Training Attended	Date
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar Dato' Kok Wee Kiat Y.M. Tengku Yunus Kamaruddin	<ul style="list-style-type: none"> Aluminium Rolling Business 	26 May 2008
Mr. Tan See Ping	<ul style="list-style-type: none"> Breakfast talk on "GST Implementation" Breakfast talk on "World Economic Outlook" 11th Vistage CEO Summit 2008: "Innovate or Perish" (1 day) Breakfast talk on "Economic Trends – 2008 & Beyond" National Manufacturing Conference 2008: "Leading Manufacturing Excellence" (1 day) Breakfast talk on "Developing A Contingency Plan for the Credit Crunch" E.I.U. Breakfast talk on "Regional strategic forecast: "Light at the end of the tunnel?" Breakfast talk on "Business Strategy in a Slow Economy" 	4 April 2008 6 June 2008 9 September 2008 7 November 2008 26 November 2008 2 January 2009 26 February 2009 6 March 2009

Re-election

In accordance with the Company's Article of Association, all directors appointed by the Board are subject to re-election by the shareholders at the first opportunity after their respective dates of appointments. The Articles also provide for at least one third of the remaining Board members to be re-elected by rotation at each Annual General Meeting (AGM).

DIRECTORS' REMUNERATION

As recommended by the code, ALCOM has sought to ensure that the directors' remuneration is attractive enough to retain Directors of the calibre necessary to run the Group successfully. The component parts of the remuneration include:-

Basic Salary

The basic salary (inclusive of statutory employer contributions to the Employees Provident Fund) 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. 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.

Corporate Governance (continued)

DIRECTORS' REMUNERATIONS (continued)

Benefits-in-Kind

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

Pension Arrangements

Contributions to the Employees Provident Fund are made at 3% above the mandatory defined contribution rate for all Group employees including the Executive Directors.

Directors' Share Options

The movement in Directors' share options during the year is set out on page 39 of the Directors' Report and Financial Statements.

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 2009 is as follows:

Category	Fees (RM'000)	Salaries (RM'000)	Other emoluments** (RM'000)	Benefits-in-kind* (RM'000)	Total Remuneration # (RM'000)
Executive	-	720	579	43	1,342
Non-executive	151	-	-	-	151

* Benefits-in-kind include motor vehicle, club memberships, etc.

** Other emoluments include bonuses, retirement benefits and performance awards in respect of the 15 months financial period 2008.

Total amount (including salaries, other emoluments and benefits-in-kind) paid to an executive director of a subsidiary company in the Group.

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	4
RM50,001 to RM100,000	1

Executive Directors

RM500,001 to RM550,000	-
RM550,001 to RM600,000	-
RM600,001 to RM650,000	1
RM650,001 to RM700,000	-
RM700,001 to RM750,000	1

Remuneration by director is not disclosed for reasons of confidentiality.



Corporate Governance (continued)

SHAREHOLDERS

Dialogue between Group and Investors

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

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 and annual basis.

The Company's website at www.alcom.com.my also provides easy access to corporate information pertaining to the Group and its activities.

Annual General Meeting (AGM)

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.

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

In respect of items of 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.

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

ACCOUNTABILITY AND AUDIT

Audit Committee

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 as well as a report on the Committee's activities for the financial year 2009 can be found on pages 17 to 19.

Financial Reporting

The Board aims to present a balanced, full and meaningful assessment of the Group's financial position and prospects when presenting the annual financial statements, quarterly announcements, the Chairman's statement and Reviews of Operations in the annual report. The Audit Committee assists the Board in overseeing the Group's financial reporting process and the quality of its financial reporting.

Internal Control

The Statement on Internal Control as set out in pages 15 and 16 aims to safeguard shareholders' investments and the Company's assets, for the proper maintenance of accounting records and for the reliability of the financial information used within the business and for publication. The system is also designed to provide reasonable assurance of effective operations and compliance with laws and regulations.

During the financial year ended 31 March 2009, the Group continued to provide certification on its internal control system to its parent company on quarterly basis. The Group continued to update documentation of its internal control system that was developed in accordance with the requirements of the US Sarbanes-Oxley Act. The documentation which details the internal control system in place acts as a framework for providing the basic assurance to stakeholder on timely and accurate reporting of its financial statements as required by the Act mentioned.

Corporate Governance (continued)

ACCOUNTABILITY AND AUDIT (continued)

Internal Control (continued)

The Group's internal audit team from its parent company, on an annual basis, also provides independent and objective report on the Group's management, records, accounting policies and controls directly to the Board Audit Committee. The internal auditors follow up on any action plans arising from the audit till they are resolved and closed.

Relationship with the Auditors

An appropriate relationship is maintained with the Company's Auditor through the Audit Committee and Board of Directors. The key features and the role of the Audit Committee in relation to the external auditors are included in the Audit Committee's terms of references detailed on pages 18 to 19.

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 2009, the directors have:

- Adopted suitable accounting policies and applied them consistently
- Made judgments and estimates on a prudent and 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.

OTHER INFORMATION

Share Buyback

In the financial year ended 31 March 2009, a total of 10,000 shares were purchased at an average price of RM0.84 per share and retained as treasury shares. Inclusive of shares purchased during previous financial years, a total of 2,079,000 shares were retained as treasury shares as at 31 March 2009.

Share Buy Back Summary for the financial year ended 31 March 2009:-

Month	No of shares purchased and retained as treasury shares	Lowest price paid per share (RM)	Highest price paid per share (RM)	Average Cost per share (RM)	Total Cost (RM)
Nov-08	10,000	0.8400	0.8400	0.8470	8,470.32
TOTAL	10,000				8,470.32





Corporate Governance (continued)

OTHER INFORMATION (continued)

Options, Warrants or Convertible Securities

Under ALCOM's Employee Share Option Scheme, eligible employees accepted the first tranche options to purchase 3,845,000 shares at the option price of RM2.48 per share in year 2000. Subsequently, in July 2001 ALCOM offered a second tranche of options of 3,969,000 shares at an option price of RM1.07 per share to all eligible employees, out of which 3,523,000 options were accepted. During the financial year ended 31 March 2009, no employee exercised their options to buy any of the shares under the two tranches.

Save as disclosed above no other options, warrants or convertible securities were exercised by the Company in the financial year.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR 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 RM5,000.

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.

Property Held by Group

Location	Description	Tenure	Land Area	Approximate Built up Area (sq.metre)	Age of Building (years)	Net Book Value as at 31 March 2009	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	35,964	Range from 18 to 27	RM23.9 million	1985

COMPLIANCE WITH THE CODE

The Group has taken necessary steps throughout the financial year to comply with the Best Practices of good corporate governance as set out in Part 2 of the Code. The Group will continue to review its governance principles and practices in its pursuit of achieving the highest level of transparency, accountability and integrity.

Statement on Internal Control

For Financial Year Ended 31 March 2009

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors to ensure that a sound system of internal controls is maintained to safeguard shareholders' investment and the company's assets. Under the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements (Paragraph 15.27 (b)), the Board of Directors of listed companies are required to include a statement in their annual report on the state of their internal controls as a group. Set out below is the ALCOM Board's Internal Control Statement which has been prepared in accordance with the guidelines provided by Bursa Malaysia.

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

- Effectiveness and efficiency of operations including the safeguarding of the Shareholders' investments as well as the Group's resources.
- Reliability and timeliness of financial reporting.
- Compliance with applicable laws and regulations.

BOARD RESPONSIBILITIES

ALCOM's Board of Directors recognises the importance of maintaining sound internal controls and risk management practices to good corporate governance. The Board acknowledges its responsibility for the Group's system of internal control and there is in place, an on-going process for reviewing the adequacy and integrity of those systems in managing risks.

The Board also recognises that the internal control system, no matter how well conceived and operated, can provide only reasonable and not absolute assurance against material misstatements or loss rather than eliminate the risk of business failures.

INTERNAL AUDIT

The Board considers the audit function to be an integral and important part of the governance process. The Internal Audit Department of the parent company carried out the internal audit function for the ALCOM Group following an approved audit plan established for each year, with priority focused on working capital and liquid assets on rotational basis. The internal audit conduct reviews on the existing systems of controls which 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 existing system if not to eliminate shortcomings or deficiencies identified.

The Board Audit Committee reviews the scope of the internal audit to be carried out. The audit findings as well as any recommendations for improvement are also reported back to the same committee as well as to the full Board. ALCOM's Management is responsible for ensuring that corrective actions, if any recommended, be implemented within a defined time frame.

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 which monitors the Group and Management's performance.
- An organization structure with clearly defined roles and responsibilities to achieve the Group's objectives; also providing clear segregation of duties and physical safeguards necessary to enhance internal control system.
- Setting annual plans in line with strategic direction as set out in the strategic plans.
- Development of action plans as well as Key Performance Indicators (KPI) for the different key result areas to drive the achievement of the various plans.



Statement on Internal Control (continued)

For Financial Year Ended 31 March 2009

KEY ELEMENTS OF THE INTERNAL CONTROL ENVIRONMENT (continued)

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

- Cascading the KPIs for the different sections across the Group.
- 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 performance that is not only measurable but also bring about improvement and savings in a defined criterion.
- Structured training program for employees to maintain high competency levels.
- Clearly defined delegation of responsibilities to committees of the Board and business operating units, including authorisation for all aspects 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 financial performance.
- Documentation of internal policies and procedures as set out through standard operating policies and procedures manuals. These systems/manuals such as those relating to safety, environment and insurance are the subject of regular annual review and improvement audits which helped identify gaps arising as well as ensuring compliance with regulatory requirements and standards.
- Plant visits by members of the Board on a regular basis.

RISK MANAGEMENT

The Group has in place an on-going process of identifying, evaluating and managing the risks that the Group faced as it sought to meet its business objectives. The different internal controls hinged on the Control Structure and Environment platform which enables the ALCOM Group in the identification, analyzing, assessing, treating and monitoring of the relevant risks. This process broadly forms the framework for determining how the Groups' exposure to risks should be managed. 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.

CONTROL ASSURANCE OVER FINANCIAL REPORTING

As in the previous years, the Group made a representation in respect of its internal control system in line with its parent company requirements under the US Sarbanes-Oxley Act. This representation serves as a commitment of management assurance on the control system in place for financial reporting accuracy as required.

CONCLUSION

The Board is of the opinion that the existing system of internal control is adequate to achieve the above objectives. The Board is also satisfied that, during the financial year under review, there was no significant breakdown or weakness in the system of internal controls of the ALCOM Group that would have resulted in material losses.

Report of the Audit Committee

MEMBERSHIP AND MEETINGS

The Audit Committee comprises 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 composition of the Audit Committee during the financial year ended 31 March 2009 is 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. Thomas L. Walpole - Non-independent non-executive Director #

The detailed profile of the Committee Members can be found on page 21 to 24.

During the financial year ended 31 March 2009, four (4) Audit Committee meetings were held:-

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	4/4	100%
4	Mr. Thomas L. Walpole #	N/A	N/A

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

No committee meetings since his appointment on 24 February 2009.

The Managing Director and the Chief Financial Officer attended all the meetings upon invitation by the Audit Committee. The Group's external auditors also attended the first and fourth meetings held during the financial year. As in the past years, the Board Audit Committee also met the external auditors alone without any of the executive members present.

The joint company secretaries who are also the secretaries to the Audit Committee also attended all the meetings.

Summary of activities

During the last financial year, the Audit Committee discharged its functions and carried out its duties as set out in the Terms of Reference below.

Internal Audit function

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

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





Report of the Audit Committee (continued)

TERMS OF REFERENCE

Membership

The Audit Committee shall be appointed by the Board from amongst its directors and shall consist of not less than three members, all of whom must be non-executive directors, with a majority of them being independent directors in accordance with the definition in the Bursa Malaysia Listing Requirement.

All members of the audit committee should be financially literate and at least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants (MIA) or have at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967 or fulfills such other requirements as prescribed or approved by the Exchange.

The members of an audit committee shall elect a chairman from among their number who shall be an independent director.

The chairman of the audit committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company.

No alternate director can be appointed a member of the Audit Committee.

The quorum shall comprise a majority of independent directors and two members shall constitute a quorum.

DUTIES

The duties of the Audit Committee should include the following:

- a) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- b) To discuss with the external auditors before the audit commences, the nature and scope of the audit, audit plan, audit report, ensure co-ordination where more than one audit firm is involved and to evaluate the system of internal controls;
- c) To review the quarterly and year-end financial statements of the board, focusing particularly on:
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption; and
 - Compliance with accounting standards and other legal requirements.
- d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- e) To review the external auditors' management letter and management's response;
- f) 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 program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function; and
 - Review any appraisal or assessment of the performance of members of the internal audit function.
 - Establish an internal audit function which is independent of the activities it audits.
 - Ensure its internal audit functions reports directly to the Audit Committee.

Report of the Audit Committee (continued)

DUTIES (continued)

- g) To consider any related party transactions that may arise within the Company or Group;
- h) To consider the major findings of internal investigations and management's response; and
- i) To consider other topics as defined by the Board.

AUTHORITY

The Audit committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

The Audit Committee is also authorised by the Board in accordance with the procedures to be determined by the Board and at the cost of the company to have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity, and to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

MEETINGS AND REPORTING PROCEDURES

The Audit Committee shall hold meetings of not less than four times a year. However, at least twice a year, the Audit Committee shall meet with the external auditors without the executive members present.

The Managing Director and the Chief Financial Officer shall attend all meetings of the Audit Committee. Other board members may attend meetings upon the invitation of the audit committee. The external auditors shall be entitled to receive notices of and attend any meeting. A representative shall attend specific meetings when requested by the Audit Committee and they may request special meetings when they think necessary.

The secretary of the company shall act as Secretary of the Committee and shall circulate the minutes of the meeting of the Audit Committee to all members of the Board.

REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to the Terms of Reference, as proposed by the 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.





Board of Directors

From top left to right:

- Mr. Sachin Yeshawant Satpute**
- Y.M. Tengku Yunus Kamaruddin**
- Ms. Eng Soo Funn** (Joint Secretaries)
- Mr. Roger Yue Sau Yin** (Joint Secretaries)

From bottom left to right:

- Mr. Thomas L. Walpole**
- Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar** (Chairman)
- Dato' Kok Wee Kiat**
- Mr. Tan See Ping** (Managing Director)

Profile of Directors



Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar

Chairman
Age 61, Malaysian
Independent and Non-Executive Director

Appointed to the Board since 27 July 1987 and elected Chairman on 1 October 1987. He is also the Chairman of both, the Nomination as well as the Remuneration Committees. He is also a member of the Audit Committee. 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. Currently Chairman of Syarikat Pesaka Antah Sdn Bhd, he also serves as a Director of Jimah Energy Venture Sdn Bhd. He was appointed as Chairman of Lafarge Malayan Cement 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 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, President 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, Vice-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 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.

Profile of Directors (continued)



Tan See Ping

Managing Director
Age 47, Malaysian
Non-Independent and Executive Director

Appointed to the Board on 1 June 2004. Holds a BA degree in Architectural Studies from the National University of Singapore. Held a variety of managerial positions in marketing and general management from 1985 to 1990. Joined Alcom in 1991 as Product and Market Development Manager, and was later appointed to the positions of General Manager, Fabrication and General Manager, Regional Corporate Planning and Development. From 2002-2005, he was Managing Director of Nikkei Siam Aluminium Limited in Bangkok. Upon his relocation from Nikkei Siam Aluminium Ltd to ALCOM in 2005, he was appointed Business Development Director of ALCOM until his current appointment as Managing Director of ALCOM with effect from 1 June 2006. Mr. Tan is also Chairman of Aluminium Manufacturers Group of Malaysia (FMM-AMGM).

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

Mr. Tan See Ping holds 70,000 ordinary shares and has share options to subscribe for an additional 35,000 ordinary shares in the Company.

Notes:

1. None of the directors have any family relationship with any other director 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.

Profile of Directors (continued)



Dato' Kok Wee Kiat

Age 68, Malaysian
Independent and Non-Executive Director

Appointed to the Board since 1 January 1996. Current Chairman of the Audit Committee. Also a member of the Nomination Committee and Remuneration Committee. 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 board of Directors of Bata Malaysia Sdn Bhd and The Bank of Nova Scotia Berhad. 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 Sustainable Development, Malaysia. Since 2007 he has been appointed the Honorary Consul in Malaysia for the Grand Duchy of Luxembourg.

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

Y.M. Tengku Yunus Kamaruddin

Age 68, Malaysian
Independent and Non-Executive Director



Appointed to the Board on 27 December 2001 and is a member of the Audit Committee. 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. Currently he is a director of Keck Seng (Malaysia) Berhad and also sits on the Board of UBS Securities Sdn Bhd since 14 September 2005. He was recently appointed as a director of icapital.biz Berhad on 22 June 2009.

He attended all 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 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.

Profile of Directors (continued)

Thomas L. Walpole

Age 54, American
Non-Independent and Non-Executive Director



Appointed to the Board on 24 November 2008 and is a member of the Audit, Nomination as well as the Remuneration committees. Holds a Masters of Business Administration from the Weatherhead School of Management, Case Western Reserve University and Bachelor of Science, Accounting & Finance from the State University of New York, College at Oswego. He was with Alcan Aluminum Corporation from June 1979 till 2002 as Sales Representative; National Customer Service Manager, Market Director: Industrial Products, Director of Business and Operations Planning, Works Manager: Oswego Works and from November 2000 to January 2002 he was the Vice President of Business Development & Information Technology. He later joined Alcan Taihan Aluminum Limited (ATA), Korea from February 2002 to January 2004 as Vice President: Sales, Marketing & Business Development, and later assumed the position of Vice President: Sales & Manufacturing. From January 2004 till September 2004, he was the President: Litho/Can and Painted Product overseeing the management and strategic direction of Novelis Europe. Subsequently, he was the Vice President and General Manager of the Can Business Unit (Novelis North America) from October 2004 till January 2007. In February 2007 he was appointed to his present position as President Novelis Asia & CEO Novelis Korea (formerly known as ATA).

He attended all two (2) out of two (2) Board meetings since his appointment.



Sachin Yeshawant Satpute

Age 43, Indian
Non-Independent and Non-Executive Director

Appointed to the Board on 25 May 2009. Holds a Masters of Business Administration (Marketing) from the Jamanalal Bajaj Institute of Management Studies in 1993, and Bachelor of Engineering (Mechanical) from the College of Engineering, Pune, India in 1987. Upon graduation, he joined Indian Aluminum Company, Ltd (INDAL) Alupuram from August 1987 till February 1989 for two years as Sales Development Engineer, Extrusion Business. On March 1989, he moved to INDAL, Mumbai as the Senior Sales Executive responsible for the domestic Extrusion business. Since then, he was serving in INDAL Mumbai for the 15 years from April 1994 through Sept 2004, holding various positions as Area Sales Manager (in April 1994), Regional Manager (in Dec 1999) in charge of the domestic rolled product business, and eventually the General Manager (in May 2002) overseeing all India sales of rolled products. Following the successful merger of both HINDALCO and INDAL into Hindalco Industries Ltd, Mumbai in Oct 2004, he was appointed the General Manager overseeing Eastern Exports Markets for Rolled Product. He was eventually promoted to Asst. Vice President – SBU Head Exports responsible for global export sales of rolled products. In August 2008, he was relocated to Korea, following his appointment as Director of Business Development, Novelis Korea Limited, heading the Business Development & Innovation activities in Novelis Asia.

He attended one (1) out of the one (1) Board meeting held after his appointment.

Notes:

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

Directorate & Corporate Information

BOARD OF DIRECTORS

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

Managing Director
Mr. Tan See Ping
(Non-Independent Executive Director)

Directors

Dato' Kok Wee Kiat
(Independent Non-Executive Director)

Y.M. Tengku Yunus Kamaruddin
(Independent Non-Executive Director)

Mr. Thomas L. Walpole
(Non-Independent Non-Executive Director)

Mr. Sachin Yeshawant Satpute
(Non-Independent Non-Executive Director)
(Appointed on 25 May 2009)

BOARD COMMITTEE

AUDIT COMMITTEE

Chairman
Dato' Kok Wee Kiat

Members
Y.A.M. Tunku Tan Sri Imran
ibni Almarhum Tuanku Ja'afar
Y.M. Tengku Yunus Kamaruddin
Mr. Thomas L. Walpole
(Appointed on 24 February 2009)

NOMINATION COMMITTEE

Chairman
Y.A.M. Tunku Tan Sri Imran
ibni Almarhum Tuanku Ja'afar

Members
Dato' Kok Wee Kiat
Mr. Keith Vincent Sodan
(Resigned on 24 November 2008)
Mr. Thomas L. Walpole
(Appointed on 24 November 2008)

REMUNERATION COMMITTEE

Chairman
Y.A.M. Tunku Tan Sri Imran
ibni Almarhum Tuanku Ja'afar

Members
Dato' Kok Wee Kiat
Mr. Keith Vincent Sodan
(Resigned on 24 November 2008)
Mr. Thomas L. Walpole
(Appointed on 24 November 2008)

JOINT SECRETARIES

Ms. Eng Soo Funn (MACS 00044)
Ms. Lam Lee San (MAICSA 7048104)
(Appointed on 25 May 2009)
Mr. Roger Yue Sau Yin (MIA 1108)
(Resigned on 25 May 2009)

REGISTERED OFFICE

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

REGISTRARS

Symphony Share Registrars
Sdn Bhd (378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone : 03-2721 2222
Telefax : 03-2721 2530/31

AUDITORS

PricewaterhouseCoopers,
Kuala Lumpur (AF: 1146)

PRINCIPAL BANKERS

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

SOLICITORS

Skrine

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
- Main Board

WEBSITE

www.alcom.com.my



Group Information

HEAD OFFICE

No.3, Persiaran Waja
 Kawasan Perindustrian Bukit Raja
 41050 Klang
 P.O. Box 233, 41720 Klang
 Selangor Darul Ehsan
 Telephone : 03-3346 6262
 Telefax : 03-3341 2793

MANUFACTURING PLANTS

Aluminium Company of Malaysia Berhad (3859-U) **- Sheet & Foil**

No.3, Persiaran Waja
 Kawasan Perindustrian Bukit Raja
 41050 Klang
 P.O. Box 233, 41720 Klang
 Selangor Darul Ehsan
 Telephone : 03-3346 6262
 Telefax : 03-3341 2793

Alcom Nikkei Specialty Coatings Sdn Bhd (203469-H) **- Coated Finstock**

No.3, Persiaran Waja
 Kawasan Perindustrian Bukit Raja
 41050 Klang
 P.O. Box 79, 41700 Klang
 Selangor Darul Ehsan
 Telephone : 03-3342 2234
 Telefax : 03-3342 2203

PRODUCTS MANUFACTURED

- **Aluminium Sheet Products**
 Treadplate, Flat Sheet, Coiled Sheet,
 Painted Coils, Cladding Sheet
- **Aluminium Building Sheet Products**
 'PAYUNG' - Corrugated Sheet
 '7P', 'Alrib', 'Comspan',
 Stucco-Embossed and
 Painted Finish Ribbed Sheet
- **Aluminium Foil Products**
 Finstock (Bare & Coated), Cable Foil,
 Diaphragm Foil (Lacquered), Plain Foil,
 Converter Foil (Insulation Foil, Flexi-pack,
 Cigarette Foil)
- **Trade Names**
 PAYUNG - Corrugated Sheet
 COMSPAN - Industrial Building Sheet

WEBSITE

ALCOM Group : www.alcom.com.my
 Parent Company : www.novelis.com

Five-Year Summary

GROUP FINANCIAL HIGHLIGHTS	2004	2005	2006	15 months Period Ended 31.3.2008	12 months Period Ended 31.3.2009
-----------------------------------	-------------	-------------	-------------	---	---

Revenue and Earnings (RM million)

Revenue	276.1	316.8	373.7	496.5	302.9
Profit/(Loss) from ordinary activities before tax	43.62	2.1	17.5	24.5	(0.1)
Provision for taxation					
- Current	(5.5)	(5.5)	(5.7)	(8.1)	(2.3)
- Deferred	1.5	1.2	2.2	1.8	2.6
Net profit/(loss) attributable to shareholders	36.6	14.4	14.0	18.2	(0.6)

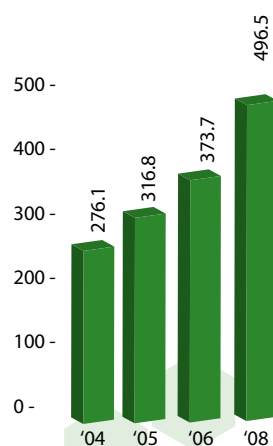
Balance Sheet Items (RM million)

Working capital (excluding term loan)	125.6	134.8	120.3	130.5	119.8
Non current assets	118.2	113.1	105.3	98.4	92.4
Shareholders' funds	208.1	211.7	207.5	212.4	197.8
Total assets	274.9	269.6	245.6	263.3	223.6

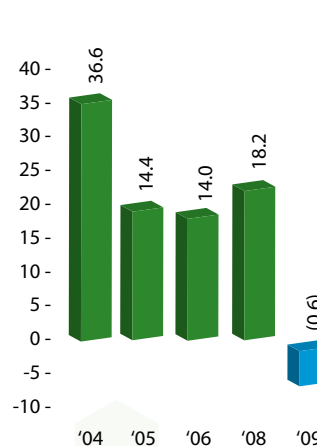
Other Statistics:

Earnings/(Loss) per Ordinary Share (RM)	0.28	0.11	0.11	0.14	(0.01)
Ordinary dividends per Share (RM)	0.15	0.10	0.15	0.13	0.13
Net tangible asset backing per Ordinary Share (RM)	1.56	1.58	1.56	1.61	1.50
Capital expenditure (RM million)	8.0	8.2	5.1	7.6	5.9
Net cash from operating activities (RM million)	12.2	15.8	(0.5)	35.6	31.7
Share prices : Highest (RM)	2.18	2.01	1.56	1.50	1.13
: Lowest (RM)	0.99	1.30	1.32	1.00	0.74

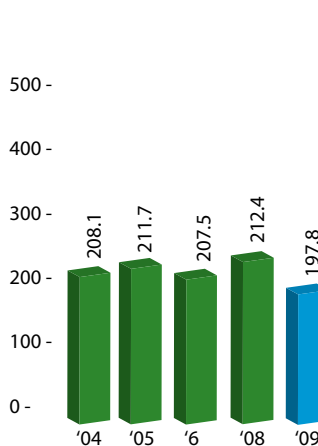
Revenue (RM million)



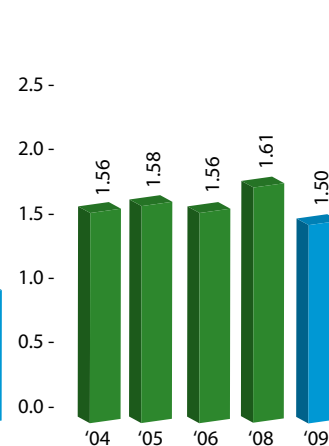
Net profit/(loss) attributable to shareholders (RM million)



Shareholders' funds (RM million)



Net tangible asset backing per Ordinary Share (RM million)





Kenyataan Pengerusi/ Chairman's Statement



Bagi pihak Lembaga, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Kumpulan dan Syarikat Aluminium Company of Malaysia Berhad (ALCOM) yang telah diaudit untuk tahun kewangan yang berakhir pada 31 Mac 2009.

On behalf of the Board, I am pleased to present the Annual Report and the audited Financial Statement of Aluminium Company of Malaysia Berhad (ALCOM) Group and the Company for the financial year ended 31 March 2009.

Kenyataan Pengerusi (sambungan)/ Chairman's Statement (continued)

PRESTASI KUMPULAN

Permintaan pasaran untuk barangan aluminium kami adalah menggalakkan pada pertengahan tahun pertama tahun kewangan 2009 tetapi merosot dengan mendadak pada pertengahan tahun kedua dengan bermulanya kemelesetan ekonomi dunia. Sungguhpun penghantaran pada pertengahan tahun pertama adalah hampir dengan tahap yang dicapai dalam bulan-bulan sejaranya dalam tempoh kewangan 2008, penghantaran pada pertengahan tahun kedua hanyalah 55% daripada tahap yang dicapai di dalam enam bulan terakhir tempoh kewangan sebelumnya itu.

Keadaan pasaran bertambah sukar lagi dengan keruntuhan harga-harga komoditi. Dari tahap purata harga USD3,071/mt dalam bulan Julai 2008, harga tunai LME telah menyusut sehingga mencecah 57% dan tutup pada purata USD1,336/mt pada bulan Mac 2009. Penurunan harga aluminium ini membawa kesan yang buruk kepada nilai inventori kami. Akibatnya, Kumpulan ALCOM telah mencatatkan kerugian selepas cukai sebanyak RM638,000 bagi tahun kewangan yang berakhir 31 Mac 2009. Selain daripada pengurangan jumlah penghantaran sebanyak 25%, keuntungan juga terjejas dengan peruntukan susut nilai sebanyak RM7.1 juta berikutan penurunan dalam harga aluminium.

ALUMINIUM COMPANY OF MALAYSIA BERHAD

Pada peringkat syarikat, ALCOM mencatatkan kerugian selepas cukai sebanyak RM2.0 juta untuk tahun ini berbanding dengan keuntungan sebanyak RM15.6 juta dalam tempoh kewangan sebelumnya yang meliputi 15 bulan. Seperti yang dinyatakan di atas, keadaan jumlah penghantaran yang menurun dengan ketaranya telah diburukkan lagi dengan peruntukan susut nilai inventori.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

Anak syarikat milik penuh ALCOM mencatatkan keuntungan bersih sebanyak RM376,000 untuk tahun kewangan tersebut. Jumlah penghantarannya adalah 13% lebih rendah daripada 12 bulan tempoh kewangan sebelumnya. Berbanding dengan ALCOM, penurunan dalam jumlah penghantaran yang lebih rendah ini membayangkan usaha-usaha awal kami untuk meluaskan tapak pelanggan kami.

Bahagian eksport ANSC daripada jumlah penghantarannya kekal tinggi pada tahap 92%.

GROUP PERFORMANCE

Market demand for our aluminium products was healthy in the first half of financial year 2009 but dipped sharply in the second half of the year with the onset of the global downturn. Whereas shipments in the first half was near to that achieved in the corresponding months of financial period 2008, shipments in the second half was only 55% of the level achieved in the last six months of the previous financial period.

The market situation was greatly aggravated by the collapse in commodity prices. From an average of USD3,071/mt in July 2008, LME Cash prices retreated as much as 57% to close at an average of USD1,336/mt in March 2009. The collapse in aluminium prices adversely impacted our inventory value. As a result, the ALCOM Group registered a consolidated loss after tax of RM638,000 for the financial year ending 31 March 2009. Apart from the 25% reduction in shipment volume, profitability was also affected by a RM7.1 million write-down provision for the decline in aluminium price.

ALUMINIUM COMPANY OF MALAYSIA BERHAD

At the Company level, ALCOM registered a loss after tax of RM2.0 million for the year compared to a net income of RM15.6 million in the preceding financial period comprising 15 months. As was mentioned above, the significant decline in shipment volume was further compounded by the write down of inventory value.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

ALCOM's wholly owned subsidiary registered a net income of RM376,000 for the financial year under review. Shipment volume was 13% lower than the corresponding 12 months of the previous financial period. Compared to ALCOM, the relatively lower erosion in shipment reflects earlier efforts to expand our customer base.

ANSC's exports as a proportion of total shipment remained at a high of 92%.





Kenyataan Pengerusi (sambungan)/ Chairman's Statement (continued)

KEWANGAN

Pada akhir tahun kewangan, rizab wang tunai kumpulan adalah sebanyak RM60.6 juta berbanding dengan RM47.4 juta pada akhir tempoh kewangan sebelumnya.

Dua dividen interim telah dibayar dalam tahun kewangan ini dengan jumlah pembayaran bersih sebanyak RM13.9 juta berbanding dengan RM12.2 juta pada tempoh kewangan yang terdahulu. Dividen pertama sebanyak 7.5% (tolak 26% cukai) telah dibayar pada 5 September 2008 sementara dividen kedua sebanyak 5% (bebas cukai) telah dibayar pada 30 Mar 2009.

ALIRAN DAN PERKEMBANGAN EKONOMI DAN INDUSTRI

Keadaan ekonomi telah menjadi sukar dengan penguncupan aktiviti-aktiviti pengeluaran sedunia. Industri aluminium secara menyeluruh juga telah mengalami kesan yang serius. Pada awal tahun semasa ini, banyak laporan menyatakan harga logam aluminium telah menurun sehingga ke paras yang menjadikan operasi-operasi peleburan tidak menguntungkan lagi. Dalam beberapa bulan ini, harga aluminium telah meningkat sedikit dari paras rendahnya di bulan Februari. Peningkatan tersebut memberikan sedikit harapan bahawa keadaan permintaan dunia mungkin telah terkeluar daripada dasarnya. Walau bagaimanapun, tidak ada petunjuk yang jelas bahawa ekonomi negara-negara utama seperti Amerika Syarikat, Komuniti Eropah dan Jepun akan berada di landasan pemulihan yang berkekalan.

Malaysia, dengan eksport membentuk bahagian utama Keluaran Dalam Negara Kasarnya juga telah menerima tamparan yang kuat. Sebagai tindakbalas, Malaysia seperti negara-negara lain melancarkan pakej-pakej stimulus untuk merangsangkan permintaan tempatan. Langkah tersebut serta pelbagai tindakan yang diambil oleh pihak-pihak berkuasa yang lain dijangka dapat menghadkan kesan negatif akibat kemerosotan yang menimpa ekonomi secara keseluruhan ini.

PROSPEK

Pandangan untuk tahun yang akan datang kekal mencabar. Dengan eksport membentuk sekurang-kurangnya 60% daripada jumlah penghantaran keseluruhan dalam keadaan biasa, permintaan untuk barangan kami amat didorongi oleh kepantasan serta kekekalan pemulihan ekonomi sedunia.

FINANCIAL

As at end of the financial year, Group cash reserves amounted to RM60.6 million as compared to RM47.4 million at the end of the previous financial period.

Two interim dividends were paid during the financial year amounting to a net payout of RM13.9 million as compared to RM12.2 million in the previous financial period. The first dividend of 7.5% (less 26% taxation) was paid on 5th Sept 2008 whilst the second dividend of 5% (tax exempt) was paid on 30 March 2009.

ECONOMIC AND INDUSTRY TREND AND DEVELOPMENTS

Economic conditions have been difficult with sharp contraction in global manufacturing activities. The global aluminium industry has also been seriously affected. In the early part of the current calendar year, reports indicated that aluminium metal prices had declined to levels that rendered many smelter operations unprofitable. In recent months, aluminium prices have recovered slightly from the low point in February. This pick-up in prices provides glimmers of hope that the global demand situation may have bottomed out. Nonetheless, there is no clear indication that major economies such as the United States, the European Community and Japan are on the path to sustainable recovery.

Malaysia, whose exports form a significant portion of its gross domestic product have also been hit hard. As a countermeasure, Malaysia like most other countries launched stimulus packages to stoke domestic demand. These and other measures undertaken by the various authorities are expected to limit the adverse impact of the downturn on the overall economy.

PROSPECTS

The outlook for the coming year remains very challenging. With exports constituting at least 60% of our overall shipment in normal times, demand for our products is still very much driven by the speed and sustainability of recovery in the global economy.

Kenyataan Pengerusi (sambungan)/ Chairman's Statement (continued)

PROSPEK (sambungan)

Walaupun adanya tanda-tanda yang menggalakkan, masih terdapat banyak ketidakpastian tentang tujuan pasaran jangka panjang serta ketahanannya. Banyak usaha telah diambil untuk meningkatkan penggunaan keupayaan kilang dengan melangkah ke pasaran-pasaran yang bukan tradisi kami. Pada masa yang sama, kami terus menumpukan perhatian untuk mengekalkan kos. Kejayaan kami mengatur dan menempatkan inisiatif-inisiatif pembaikan berterusan telah menghasilkan keputusan yang positif dan akan membantu menguatkan persaingan dan keutuhan kami untuk maju ke hadapan.

PENGHARGAAN

Sejak laporan terakhir saya, Mr. Keith Vincent Sodan telah meletak jawatan sebagai ahli dalam Lembaga Pengarah dan juga Jawatankuasa Pencalonan serta Imbuan. Mengisi tempatnya ialah Mr. Thomas L. Walpole yang menyertai Lembaga Pengarah. Mr. Sachin Y. Sapute ialah seorang ahli lagi yang menyertai Lembaga Pengarah pada bulan Mei 2009. Saya ingin merakamkan penghargaan kami kepada Mr. Keith Vincent Sodan atas sumbangannya sepanjang tempoh khidmat beliau dan juga ingin mengalu-alukan kedatangan Tom dan Sachin.

Bagi Pihak Lembaga, saya ingin mengucapkan terima kasih kepada semua pelanggan, pekerja-pekerja, pemegang-pemegang saham, pembekal-pembekal, pihak bank, rakan kongsi perniagaan dan juga kerajaan Malaysia atas keyakinan dan sokongan berterusan mereka. Semasa kami memulih daripada tempoh yang amat mencabar ini perhubungan dengan mereka akan sentiasa dihargai dan diutamakan pada tahun yang akan datang.

Akhir sekali saya juga ingin mengambil kesempatan ini untuk menyatakan penghargaan saya kepada teman-teman ahli di dalam Lembaga Pengarah atas nasihat-nasihat bernilai mereka pada tahun lepas.

PROSPECTS (continued)

While there are some encouraging signs, there is still considerable uncertainty as to the longer term direction of the market and its sustainability. Efforts are in place to increase capacity utilisation by going into non-traditional markets. At the same time, we continue to sharpen our focus on containing costs. Successful deployment of our continuous improvement initiative is yielding positive results and will help us strengthen our competitiveness and resilience going forward.

ACKNOWLEDGEMENT

Since my last report, Mr. Keith Vincent Sodan resigned as a member of the Board and of the Nomination as well as the Remuneration Committees. In his place Mr. Thomas L. Walpole has joined the Board. Mr. Sachin Y. Sapute is another member who joined the Board in May 2009. I wish to place on record our appreciation to Mr. Keith Vincent Sodan for his contribution during his tenure of service and would also like to extend a formal welcome to both Tom and Sachin.

On behalf of the Board I would also like to thank all our customers, employees, shareholders, suppliers, bankers, business associates and the Malaysian government for their continued confidence and support. As we ride out what is expected to be an extremely challenging period these relationships will continue to be of utmost importance in the year ahead.

Last but not least I would also like to take this opportunity to express my gratitude to all my fellow members on the Board for their valued counsel in the past year.

**Y.A.M. Tunku Tan Sri Imran ibni Almarhum
Tuanku Ja'afar.**
Pengerusi / Chairman

29 Julai / July 2009



Managing Director's Review

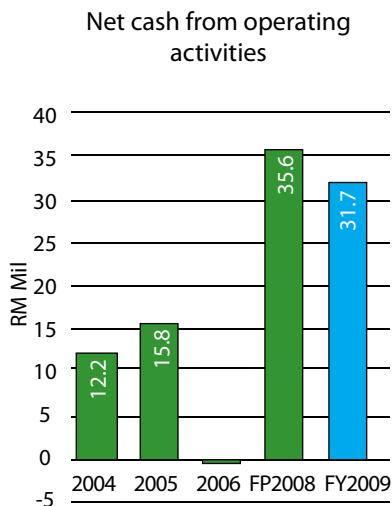
FINANCIALS

The financial year ended 31 March 2009 has been a most challenging year for the Group. We recorded a pre-tax loss of RM1.0 million on the back of revenues totaling RM302.9 million.

In the first half of the year, the Group faced serious cost pressures as prices of oil, energy, metals and other supplies soared. Nonetheless, healthy shipment coupled with strong productivity and cost management helped the Group to kick off the year with a solid performance. The situation reversed sharply in the second half of the year when the business was severely hit by the global economic meltdown. Demand from customers took a dive both at home and abroad. Crashing consumer confidence in advanced economies significantly affected our export businesses which constitute more than 60% of our total shipment. At home too, we experienced a sharp contraction in demand from the manufacturing, construction and stockist sectors.

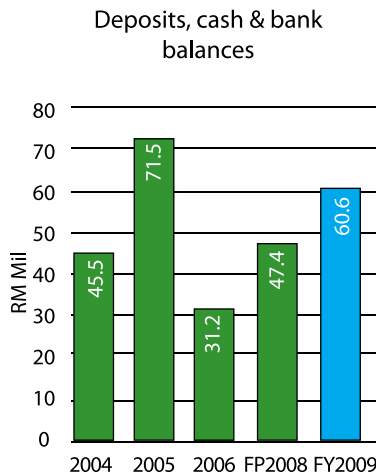
LME Cash price for the aluminium commodity plunged from an average of US\$3,071 per tonne in July 2008 to a low of US\$1,330 per tonne in February 2009 before staging a mild recovery in March. In view of the sharp drop in prices, the Group made provisions for inventory write-down to the tune of RM7.1 million. The sudden decline in prices also caught some of our customers off guard. Saddled with high inventory and metal prices falling month on month, many customers took the prudent approach of cancelling forward orders and drawing down on their existing inventory. This destocking move further aggravated an already significant decline in real consumption demand. Our shipment performance hit a low in February 2009 before progressively recovering in March.

Despite the loss incurred, we registered positive net cash flow of RM31.7 million from operating activities.

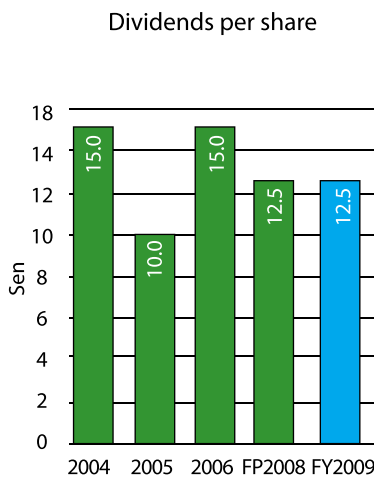


Managing Director's Review (continued)

Cash reserves at the end of the financial year stood at RM60.6 million compared to RM47.4 million in the preceding year.



Our strong cash position enabled the Group to maintain its healthy track record on dividend payment. During the financial year, the Group made 2 interim dividends amounting to approximately RM13.9 million, which is equivalent to a 12.5% payout per share. This compares against a 12.5% payout in the last 15-month financial period ended March 2008.



OPERATIONS

In the last few years, the Group has been placing increasing emphasis on our push to build a high performance work culture, benchmarked against world-class organisations. To achieve this vision, we have been actively deploying Lean Six Sigma, Total Productive Maintenance, EHSQ First, Value Innovation Teams and other key initiatives that form part of an integrated framework for maximizing value.

I am very pleased to report that this effort has been given recognition of the highest order. In March 2009, Alcom received the Prime Minister's Industry Excellence Award from former Prime Minister Tun Abdullah Ahmad Badawi. This annual award is the highest recognition given by the Government of Malaysia to a single company demonstrating all-round organisational and business excellence.



Grand winner of the Prime Minister's Award for Industry Excellence 2008

Alcom also won the Product Excellence Award based on product performance and quality, product achievement and recognition, and technological content, among other things. Both of these awards go a long way in reaffirming our continuing journey towards excellence.



Prime Minister's Award for Industry Excellence & Product Excellence Award 2008

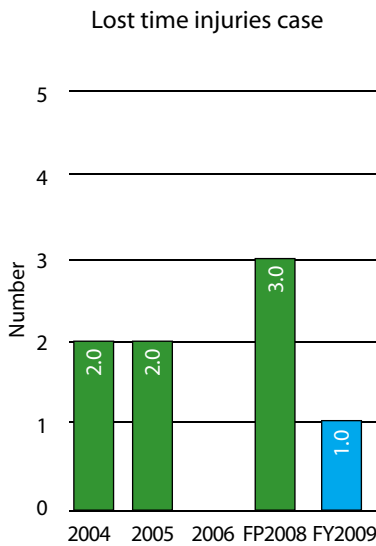


Managing Director's Review (continued)

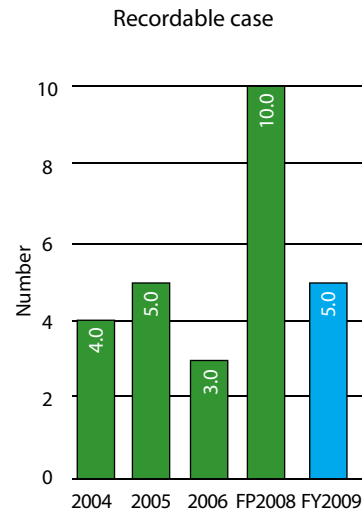
In response to the global recession, the Group had intensified its focus on operating efficiencies and taken various measures to reduce costs and conserve cash. We will continue to leverage our strengths in continuous improvement and overall quality management to rein in costs and improve productivity. A good example of this is our success in converting some of our high-end coated products from a double-pass to single-pass production without compromising product quality and performance. Apart from reducing cost, this particular initiative helped release additional production capacity for future growth. At the same time, various initiatives have been taken to expand our markets and customer base. This has helped us to increase our share in several key customers despite the sharp erosion in their consumption demand.

Corporate Responsibility: Workplace and Environment

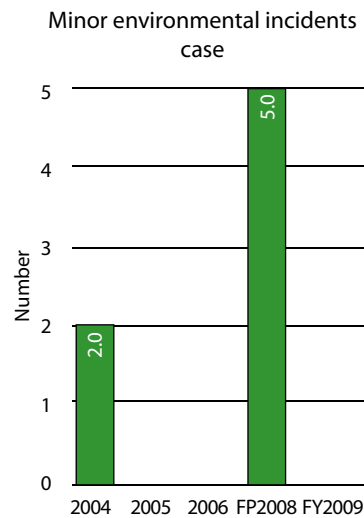
Environment, Health & Safety (EHS) is always a fundamental priority for the Group. The number of lost time injuries declined from 3 cases to 1 case in this financial year.



The number of recordable injuries also dropped from 10 cases in the last financial period to 5 cases this year.



There were no minor environmental incidents this year, compared to 5 in the previous year.



To raise safety awareness, we have been educating and training employees to continuously observe and identify unsafe working practices, conditions and behaviours, no matter how trivial some of these may appear. Over the last few years, employees have identified more than 1000 unsafe work behaviours and conditions through this initiative. Management commitment to resolve such unsafe practices or conditions has also been clearly demonstrated through the closure rate which has improved year on year from 30% in 2005 to 92% this year.

Managing Director's Review (continued)

We also completed a number of environmental improvement projects such as a 26% reduction in landfill waste per tonne of output and an increase in metal recovered from dross generated in our melting process. Projects such as these not only minimize the environmental impact of our processes but also contribute to significant cost savings.

Corporate Responsibility: Market Place, People and Community

Despite the global economic crisis, we continue to invest in our people. Training in the area of safety and quality management was given significant focus. For example, all shop floor employees participated in a 2-day teambuilding session offsite, which was followed by assignments for improving the workplace.



Participants of the 2- days teambuilding for Group Leaders

At the management level, employees participated in several strategic workshops aimed at improving alignment and execution of strategic goals.



Management Strategic workshop in progress

Beyond the workplace, ALCOM continues to play a positive role in our community. Our creative micro-business project is now into its tenth year of implementation. It remains an effective vehicle for inculcating the value of recycling in school children.



Donation of dehydrator machine to SMK Sunway - for the micro-business project.

We continue to take a keen interest in supporting and funding the activities of Yayasan Kecemerlangan Sukan Malaysia (SportExcel). SportExcel is a foundation dedicated to Malaysian junior sports development, a mission that fits in well with our own belief in the importance of holistic youth development. As in previous years, our own sports club was also active in organizing events such as a carnival for family members which helped to enhance employee bonding.



Kelab Sukan Alcom Sports and Carnival Day for members & family.

In the marketplace, we also had opportunities to work with our business partners on mutually beneficial projects that include the recycling of waste material and value engineering activities contributing to the conservation of natural resources.



Managing Director's Review (continued)

OUTLOOK

Future market conditions remain uncertain although there are visible signs of economic recovery. Unprecedented action by governments across the globe has certainly helped to restore consumer confidence. In line with that, global aluminium demand has started picking up, although a good part of this has come from China followed by India and Brazil. Manufacturing activity and demand have also picked up in US and Europe, albeit at a lower magnitude in these two major economies. Aluminium prices have regained some ground with LME Cash prices averaging US\$1,574 per tonne in June compared to US\$1,336 per tonne in March.

For the Alcom Group, the first quarter of the new financial year saw shipments significantly higher than the quarter preceding it, but still well below the levels recorded in the similar quarter last year. For the full year, we are looking forward to a slight improvement in overall shipment compared to the last financial year if the economy remains stable in the quarters ahead. The Group has successfully weathered several major challenges in the last few years by developing new markets, expanding our customer base, optimizing our product portfolio and improving operational efficiencies. With the severity of the current recession, we have stepped up even further our focus on operational excellence and market development. These efforts are helping us to become more resilient in the most challenging of times, and will position us to benefit as the global economy recovers.

Analysis of Shareholdings

As at 1 July 2009

ANALYSIS BY SIZE OF SHAREHOLDINGS

Category	Shareholders	%	Shareholdings	%
Less than 100	162	4.43	3,954	0.00
100 to 1,000	880	24.06	761,809	0.58
1,001 to 10,000	1,976	54.02	8,880,288	6.71
10,001 to 100,000	574	15.69	16,323,718	12.34
100,001 to less than 5% of issued shares	65	1.77	28,048,025	21.21
5% and above of issued shares	1	0.03	78,234,054	59.16
Total	3,658	100.00	132,251,848	100.00

LIST OF DIRECTORS' SHAREHOLDING

No.	Name	No. of Shares	%
1	Y.A.M Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	-	0.00
2	Tan See Ping	70,000	0.05
3	Dato' Kok Wee Kiat	-	0.00
4	Y.M Tengku Yunus Kamaruddin	114,500	0.09
5	Thomas L. Walpole	-	0.00
6	Sachin Yeshawant Satpute	-	0.00

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Novelis Inc.	78,234,054	59.16
2	Mayban Nominees (Tempatan) Sdn. Bhd. (Mayban Trustees Berhad for Public Ittikal Fund)	5,346,500	4.04
3	Amanah Raya Nominees (Tempatan) Sdn. Bhd. (Public Islamic Equity Fund)	2,971,200	2.25
4	HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC (M) Trustee Bhd. for MAAKL AL- Fauzan)	1,700,000	1.29
5	Permodalan Nasional Berhad	1,351,000	1.02
6	Mayban Nominees (Tempatan) Sdn. Bhd. (Mayban Trustees Berhad for MAAKL Value Fund)	1,250,000	0.95
7	Amanah Raya Nominees (Tempatan) Sdn. Bhd. (Public Islamic Opportunities Fund)	1,003,800	0.76
8	Toh Kam Choy	846,700	0.64
9	HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC (M) Trustee Bhd for MAAKL Dividend Fund)	680,000	0.51
10	Shoptra Jaya (M) Sdn. Bhd.	600,000	0.45
11	Yeoh Kean Hua	564,000	0.43
12	Quarry Lane Sdn. Bhd.	531,000	0.40
13	Yeoh Ah Tu	500,000	0.38
14	Lee Yu Yong @ Lee Yuen Ying	499,000	0.38
15	Loh Loon Teik Sdn. Bhd.	460,000	0.35
16	Sow Tiap	441,000	0.33
17	Tay Kak Chok	437,200	0.33
18	Kurnia Insurance (Malaysia) Berhad	423,100	0.32
19	Wentel Corporation Sdn. Bhd.	384,000	0.29
20	Goh Beng Beng	347,000	0.26
21	Khor Meow Siang	302,500	0.23
22	Tang Yet Siong @ Tang Yik Siong	299,500	0.23
23	Chow Song Kuang	280,800	0.21
24	Ng Ah Hooi	273,000	0.21
25	Alliance Investment Bank Berhad (Clearing for Capital Dynamics Asset Management Sdn. Bhd.)	260,000	0.20
26	Lim Bee Hoe	249,600	0.19
27	Yeoh Ah Tu	242,200	0.18
28	Mayban Nominees (Tempatan) Sdn. Bhd. (Capital Dynamics Asset Management Sdn. Bhd. for Ace Synergy Insurance Berhad)	232,000	0.18
29	Kumpulan Wang Simpanan Guru-Guru	228,000	0.17
30	Chong Koon Sin @ Chong Hiun Shin	220,200	0.17

Based on the issued and paid-up share capital of the Company of RM134,330,848 comprising 134,330,848 ordinary shares and after deduction of 2,079,000 treasury shares retained by the Company as per Record of Depositors.



Directors' Report

The Directors are pleased to submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2009.

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 15 to the financial statements.

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

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Net loss for the financial year	(638)	(2,044)

DIVIDENDS

The dividends paid by the Company since 31 March 2008 were as follows:

	RM'000
In respect of the financial year ended 31 March 2009	
- interim dividend of 7.5%, less 26% taxation, paid on 5 September 2008	7,340
- interim dividend of 5.0%, tax exempt, paid on 30 March 2009	6,613
	13,953

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2009.

RESERVES AND PROVISIONS

Material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

TREASURY SHARES

During the financial year, the Company repurchased 10,000 of its issued share capital from the open market on the Bursa Malaysia Securities for RM8,470 at a price of RM0.84 per share. Details of the treasury shares are set out in Note 26(a) to the financial statements.

Directors' Report (continued)

DIRECTORS

The Directors who have held office during the 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
Tan See Ping, Managing Director
Thomas L. Walpole (appointed on 24 November 2008)
Sachin Y. Satpute (appointed on 25 May 2009)
Keith Vincent Sodan (resigned on 24 November 2008)

In accordance with Articles 92(A) of the Company's Articles of Association, Dato' Kok Wee Kiat retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Articles 92(D) of the Company's Articles of Association, Thomas L. Walpole and Sachin Y Satpute retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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, other than the Company's Employee Share Option Scheme ('ESOS').

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits as disclosed in Note 8 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.

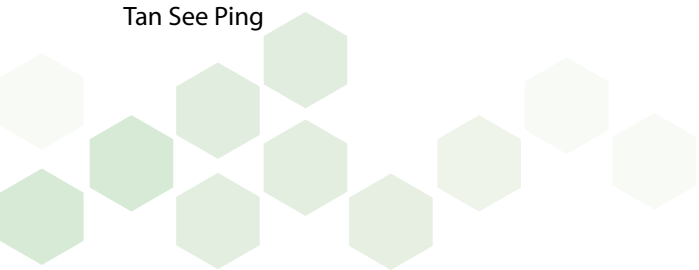
DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM1.00 each in the Company			
	At 1.4.2008	Purchased	Sold	At 31.3.2009
Tan See Ping	70,000	-	-	70,000
Y.M. Tengku Yunus Kamaruddin	-	114,500	-	114,500

In addition to the above, the Directors are deemed to have an interest in shares in the Company by virtue of the options granted to them pursuant to the Company's Employee Share Option Scheme ('ESOS') to the extent as follows:

	Number of options over ordinary shares of RM1.00 each			
	At 1.4.2008	Exercise of ESOS	Sold	At 31.3.2009
Tan See Ping	35,000	-	-	35,000





Directors' Report (continued)

EMPLOYEE SHARE OPTION SCHEME

The Company implemented an ESOS, which became effective on 14 March 2000 for a period of 10 years. The ESOS is governed by the by-laws, which were approved by the shareholders on 15 December 1999. Details of the ESOS are set out in Note 26(b) to the financial statements.

Since the implementation of the ESOS in 2000, 4,630,000 (2008: 4,549,000) share options of ordinary shares have lapsed.

The number of share options outstanding and vested at balance sheet date amounted to 1,418,000 (2008: 1,499,000).

In 2008, the shareholders approved a new ESOS to replace the abovementioned scheme. The new scheme will however only come into effect when the existing ESOS is terminated upon consent from all existing option holders, which have yet to be obtained.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets 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 satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; 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.

Directors' Report (continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

In the opinion of the Directors:

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

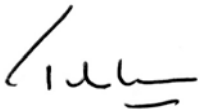
HOLDING AND ULTIMATE HOLDING COMPANY

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 25 May 2009.



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



TAN SEE PING
DIRECTOR

Bukit Raja, Klang





Consolidated Income Statement

For the Financial Year Ended 31 March 2009

		GROUP	
	Note	Financial year ended 31.3.2009 RM'000	15 months Financial period ended 31.3.2008 RM'000
Revenue	4	302,893	496,545
Other operating income	5	1,777	1,536
Changes in inventories of raw materials, work-in-progress and finished goods		(13,501)	(3,892)
Raw materials and consumables used		(222,375)	(388,611)
Staff costs	7	(21,009)	(29,223)
Utilities and fuel		(13,471)	(16,408)
Depreciation of property, plant and equipment		(11,688)	(14,142)
Allowance for inventory writedown		(8,258)	(352)
Upkeep, repairs and maintenance of assets		(6,716)	(8,555)
Environmental costs		(1,724)	(2,613)
Technical fees		(341)	(509)
Amortisation of prepaid lease rentals		(189)	(239)
Telecommunication expenses		(165)	(245)
Voluntary separation scheme costs		(152)	-
Other operating expenses		(5,802)	(8,423)
(Loss)/ profit from operations	6	(721)	24,869
Finance cost	9	(274)	(415)
(Loss)/ profit from ordinary activities before tax		(995)	24,454
Tax expense	10	357	(6,241)
(Loss)/ profit from ordinary activities after tax		(638)	18,213
Attributable to: Shareholders of the Company		(638)	18,213
(Loss)/ earnings per share			
- basic	11(a)	(0.5) sen	13.7 sen
- diluted	11(b)	(0.5) sen	13.7 sen
Dividends per share	12	12.5 sen	12.5 sen

Company Income Statement

For the Financial Year Ended 31 March 2009

		COMPANY	
	Note	Financial year ended 31.3.2009 RM'000	15 months Financial period ended 31.3.2008 RM'000
Revenue	4	286,926	472,375
Other operating income	5	1,709	1,321
Changes in inventories of raw materials, work-in-progress and finished goods		(11,629)	(4,452)
Raw materials and consumables used		(219,096)	(377,205)
Staff costs	7	(18,531)	(25,915)
Utilities and fuel		(11,257)	(13,982)
Depreciation of property, plant and equipment		(10,064)	(12,031)
Allowance for inventory writedown		(7,067)	(241)
Upkeep, repairs and maintenance of assets		(5,668)	(7,337)
Environmental costs		(1,365)	(2,298)
Amortisation of prepaid lease rentals		(189)	(239)
Technical fees		(185)	(290)
Telecommunication expenses		(155)	(225)
Voluntary separation scheme costs		(152)	-
Other operating expenses		(5,712)	(7,672)
(Loss)/ profit from operations	6	(2,435)	21,809
Finance cost	9	(206)	(325)
(Loss)/ profit from ordinary activities before tax		(2,641)	21,484
Tax expense	10	597	(5,863)
Net (loss)/ profit attributable to shareholders		(2,044)	15,621



Balance Sheets

As at 31 March 2009

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	77,383	83,199	63,818	68,606
Prepaid lease rentals	14	15,005	15,194	15,005	15,194
Subsidiaries	15	-	-	26,860	26,860
		92,388	98,393	105,683	110,660
CURRENT ASSETS					
Inventories	16	47,553	66,194	37,848	54,841
Trade receivables	17	19,089	48,759	8,382	27,344
Amounts due from subsidiary companies	18	-	-	11,036	21,510
Other receivables and prepayments	19	805	2,589	732	1,555
Tax recoverable		3,197	-	2,855	-
Deposits, cash and bank balances	20	60,614	47,401	47,139	36,721
		131,258	164,943	107,992	141,971
CURRENT LIABILITIES					
Trade payables	21	8,242	30,524	6,687	27,262
Other payables and accruals	22	3,172	3,369	3,029	3,038
Amounts due to related companies	23	27	10	638	601
Provision for taxation		-	538	-	679
		11,441	34,441	10,354	31,580
NET CURRENT ASSETS		119,817	130,502	97,638	110,391
NON-CURRENT LIABILITIES					
Provision for retirement benefits	24	5,329	4,782	4,999	4,486
Deferred taxation	25	9,058	11,695	6,619	8,856
		14,387	16,477	11,618	13,342
		197,818	212,418	191,703	207,709

Balance Sheets (continued)
As at 31 March 2009

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
CAPITAL AND RESERVES					
Share capital	26	134,331	134,331	134,331	134,331
Share premium		4,112	4,112	4,112	4,112
Revaluation and other reserves	27	2,138	2,147	6,170	6,179
Revenue reserve	28	57,237	71,828	47,090	63,087
Total equity		197,818	212,418	191,703	207,709
Net tangible assets per ordinary share		RM1.50	RM1.61		





Consolidated Statement of Changes In Equity

For the Financial Year Ended 31 March 2009

Attributable to shareholders of the Company

	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
		No. of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Revenue reserve RM'000	Total RM'000
At 1 April 2008		134,331	134,331	4,112	2,147	71,828	212,418
Net loss for the financial year		-	-	-	-	(638)	(638)
Dividends for the financial year ended: - 31 March 2009 (paid)	12	-	-	-	-	(13,953)	(13,953)
Share buyback - treasury shares	26(a)	-	-	-	(9)	-	(9)
At 31 March 2009		134,331	134,331	4,112	2,138	57,237	197,818
At 1 January 2007		134,329	134,329	4,112	3,275	65,806	207,522
Net profit for the financial period		-	-	-	-	18,213	18,213
Dividends for the financial period ended: - 31 March 2008 (paid)	12	-	-	-	-	(12,202)	(12,202)
Share buyback - treasury shares	26(a)	-	-	-	(1,117)	-	(1,117)
Issue of shares - exercise of share options	26(b)	2	2	-	-	-	2
Transfer of reserve on consolidation to revenue reserve		-	-	-	(11)	11	-
At 31 March 2008		134,331	134,331	4,112	2,147	71,828	212,418

Company Statement of Changes In Equity

For the Financial Year Ended 31 March 2009

	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	Total RM'000
		No. of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Revenue reserve RM'000	
At 1 April 2008		134,331	134,331	4,112	6,179	63,087	207,709
Net loss for the financial year		-	-	-	-	(2,044)	(2,044)
Dividends for the financial year ended: - 31 March 2009 (paid)	12	-	-	-	-	(13,953)	(13,953)
Share buyback - treasury shares	26(a)	-	-	-	(9)	-	(9)
At 31 March 2009		134,331	134,331	4,112	6,170	47,090	191,703
At 1 January 2007		134,329	134,329	4,112	7296	59,668	205,405
Net profit for the financial period		-	-	-	-	15,621	15,621
Dividends for the financial period ended: - 31 March 2008 (paid)	12	-	-	-	-	(12,202)	(12,202)
Share buyback - treasury shares	26(a)	-	-	-	(1,117)	-	(1,117)
Issue of shares - exercise of share options	26(b)	2	2	-	-	-	2
At 31 March 2008		134,331	134,331	4,112	6,179	63,087	207,709



Cash Flow Statements

For the Financial Year Ended 31 March 2009

	GROUP		COMPANY		
	Note	Financial year ended 31.3.2009 RM'000	15 months Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	15 months Financial period ended 31.3.2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss)/ profit attributable to shareholders		(638)	18,213	(2,044)	15,621
Adjustments for:					
Property, plant and equipment					
- depreciation		11,688	14,142	10,064	12,031
- written off		-	58	-	51
- gain on disposal		(74)	(64)	(74)	(64)
Amortisation of prepaid lease rentals		189	239	189	239
Interest income		(1,271)	(1,429)	(949)	(1,082)
Provision for retirement benefits		1,260	608	1,187	566
Reversal of allowance for doubtful debts		-	(68)	-	(68)
Allowance for inventory obsolescence		8,258	352	7,067	241
Unrealised foreign exchange (gain)/ loss		(1)	118	(8)	76
Voluntary separation scheme costs		152	-	152	-
Tax (credit)/ expense		(357)	6,241	(597)	5,863
		19,206	38,410	14,987	33,474
(Increase)/decrease in working capital:					
Inventories		10,383	2,668	9,926	3,808
Receivables		31,470	(11,531)	19,803	(4,816)
Payables		(22,817)	17,985	(21,040)	16,629
Balances with related companies		17	(3,940)	10,511	(4,604)
Cash from operations		38,259	43,592	34,187	44,491
Tax paid		(6,015)	(7,577)	(5,174)	(6,617)
Payment of retirement benefits		(425)	(387)	(386)	(387)
Payment of voluntary separation scheme costs		(152)	-	(152)	-
Net cash from operating activities		31,667	35,628	28,475	37,487

Cash Flow Statements (continued)
For the Financial Year Ended 31 March 2009

	Note	GROUP		COMPANY	
		Financial year ended 31.3.2009 RM'000	15 months Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	15 months Financial period ended 31.3.2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- purchases		(5,887)	(7,709)	(5,105)	(6,806)
- proceeds from disposal		145	167	77	167
Interest income received		1,250	1,409	933	1,066
Net cash used in investing activities		(4,492)	(6,133)	(4,095)	(5,573)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of dividends to shareholders		(13,953)	(12,202)	(13,953)	(12,202)
Share buyback		(9)	(1,117)	(9)	(1,117)
Proceeds from issue of shares		-	2	-	2
Net cash used in financing activities		(13,962)	(13,317)	(13,962)	(13,317)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		13,213	16,178	10,418	18,597
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		47,401	31,223	36,721	18,124
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	20	60,614	47,401	47,139	36,721

NON-CASH TRANSACTION

The principal non-cash transaction during the financial year/ period is the acquisition of plant and equipment by the Group and the Company of which RM1,281,000 (2008: RM1,225,000) and RM1,230,000 (2008: RM1,056,000) respectively remain payable as at the end of the financial year/ period.





Notes to the Financial Statements

For the Financial Year Ended 31 March 2009

1 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/ period presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies' Act 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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 Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that effect 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 year. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

Judgements and estimates

These estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not foresee that the estimates and assumptions used will have any significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for those pertaining to property, plant and equipment as outlined in Note 1(a)(i) below:

(i) Estimated useful life and residual values of property, plant and equipment

The Group will periodically review the useful lives and residual values of property, plant and equipment in accordance with the accounting policy as stated in Note 1(c). The estimated useful lives and residual values are based on guidelines provided by the ultimate holding company as well as a review carried out by the Group's plant engineering management.

Adoption of new Financial Reporting Standards

The new accounting standards, amendments to published standard and interpretations effective and applicable for the Group's financial year beginning 1 April 2008 are as follows:

- FRS 107 Cash Flow Statements
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets
- IC Interpretation 8 - Scope of FRS 2

The remaining standards and interpretations that are effective for financial year beginning 1 April 2008 are not relevant to the Group's operations.

The adoption of the above Financial Reporting Standards does not have any significant impact for the Group for the financial year ended 31 March 2009.

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted.

The new standards and amendments to published standards that are mandatory for the Group's financial years beginning on or after 1 April 2009 or later years, but which the Group has not early adopted, are as follows:

- FRS 7 Financial Instruments: Disclosures (effective from January 1, 2010). This new standard set out enhanced disclosures for financial instruments. The Group will apply this standard when effective.
- FRS 8 Operating Segments (effective from July 1, 2009). FRS 8 replaces FRS 114²⁰⁰⁴ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Currently, the Group presents segment information in respect of its business by geographical segment. The Group will apply this standard when effective but is not expected to have material impact to the disclosures in the financial statements.
- IC Interpretation 10 Interim Financial Reporting and Impairment (effective from January 1, 2010). IC Interpretation 10 prohibits the impairment losses recognized in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply this standard when effective but is not expected to have material impact on the financial position of the Group.
- FRS 139 Financial Instruments: Recognition and Measurement (effective from January 1, 2010). This new standard established principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when effective.

(i) Subsidiaries

Subsidiaries are defined as those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiaries are shown at cost. Where impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. A listing of the Group's subsidiaries is set out in Note 15.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill.

Goodwill arising from business combinations for agreements entered into prior to 1 January 2008 was written off against revaluation reserves. The Group has taken advantage of the exemption provided by FRS 3 to apply the standard prospectively. Accordingly, business combinations entered into prior to 1 January 2008 have not been restated to comply with the standard. Goodwill arising from business combinations for agreements on or after 1 January 2008 is tested annually for impairment and carried at cost less accumulated impairment losses.





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

(i) Subsidiaries (continued)

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated; realised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Economic entities in the Group

Minority interest represent that portion of the profit or loss or net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

(c) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Buildings are subsequently shown at fair value, less subsequent depreciation and impairment losses. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of FRS 116 'Property, Plant and Equipment', the valuation of these buildings has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation and impairment loss. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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 cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to the income statement.

Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of such assets over their estimated useful lives at the following average annual rates:

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

Projects-in-progress are not depreciated until their completion.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. No revision in the estimates was made by the Group at balance sheet date, as none were deemed necessary.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit from operations.

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Prepaid lease rentals

Leasehold land that normally has a finite useful life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease rentals that are amortised over the lease term in accordance with the pattern of benefits provided.

(e) Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication of impairment. When an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

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 level for which there is separately identifiable cash flows (cash-generating units).

Impairment loss is charged to the income statement 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 recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(f) 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 basis. Cost in the case 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.

(g) Trade receivables

Trade receivables are carried at invoice amount less an allowance of doubtful debts. Specific allowance is made for known doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

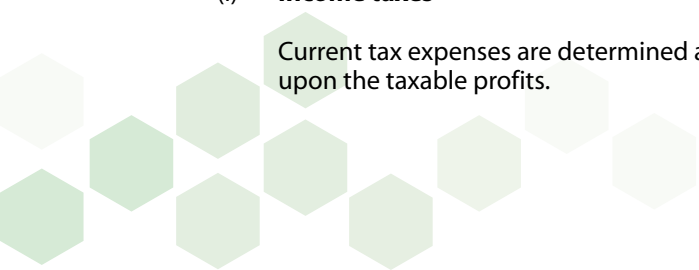
Bad debts are written off when it is established that they are irrecoverable.

(h) Cash and cash equivalents

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

(i) Income taxes

Current tax expenses are determined according to the taxation laws of Malaysia and include all taxes based upon the taxable profits.





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) **Income taxes** (continued)

Deferred tax is recognised in full, 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.

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

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(j) **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. 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 the income statement.

(k) **Employee benefits**

(i) Short term employee benefits

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

(ii) Defined benefit plan

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

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

All actuarial gains and losses are charged or credited to the income statement in the year of valuation.

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) **Employee benefits** (continued)

(iii) Defined contribution plan

The Group contributes to the Employees Provident Fund, the national defined contribution plan. The contributions are charged to the income statement in the year to which they relate. Once the contributions have been paid, the Group has no further financial obligations.

(iv) Share-based compensation

Details of the Group's Employee Share Option Scheme ('ESOS') are set out in Note 26(b) to the financial statements. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium. FRS 2 is applicable to share options granted after 31 December 2004 and had not yet vested as at 1 January 2006. The standard requires the fair value of the employee services received in exchange for the grant of such share options be recognised as an expense in the income statement over the vesting years of the grant with a corresponding increase in equity.

The Group has not applied FRS 2 'Share-based Payment' during the financial year, as the ESOS were granted prior to 31 December 2004. Accordingly, the Group does not recognise a charge to the income statement in connection with these share options.

(l) **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

(m) **Contingent liabilities and contingent assets**

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

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

(n) **Share capital**

(i) Classification

Ordinary shares are classified as equity.

(ii) Purchase of own shares

Where the Company purchases its equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax is deducted from total shareholders' equity as treasury shares until they are cancelled, reissued or disposed of.



Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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. 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.

Rental and interest income is recognised on the accruals basis.

(p) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the balance sheet date. A dividend proposed or declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings to a "proposed dividend reserve". Upon the dividend becoming payable, it will be accounted for as a liability.

(q) Financial instruments

(i) Description

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial instruments carried on the balance sheet include cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(ii) Financial instruments not recognised on the balance sheet

Foreign currency forward contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses on contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

(iii) Fair value estimation for disclosure purposes

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The fair value of long term financial assets and liabilities is estimated by discounting contractual cash flows at current market interest rates available to the Group for similar financial instruments.

The carrying values for financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. The Group is solely involved in the manufacturing and trading of business 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.

2 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 15 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 listed on the Main Board of the Bursa Malaysia Securities.

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

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are subject to a variety of financial risks, including fluctuations in exchange rates, interest rate risk, credit risk, liquidity and cash flow risk. 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 is exposed to currency risk as a result of the foreign currency transactions entered into by any of the Group companies in currencies other than their functional currency. The Group's foreign exchange risk management seeks to protect cash flows and shareholder value by limiting the impact from adverse exchange movement whilst sharing in the benefit from favourable movements. Aside from natural hedges, the Group also enters into forward foreign currency exchange contracts to limit their exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.



Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) **Interest rate risk**

The Group does not have any borrowings and hence its' operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's deposits, and is managed through the use of short term deposit placements.

(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 years and ensuring that sales of products and services are made to customers with an acceptable credit history. Credit facilities are accorded after formal review and have to be authorised by different levels of management according to the quantum of credit subject to approval. Loading in of orders for production as well as shipment of finished goods are subject to credit checks. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

(d) **Liquidity and cash flow risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

4 REVENUE

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Sale of finished goods	302,854	492,174	286,887	472,079
Sale of scrap	39	4,371	39	296
	302,893	496,545	286,926	472,375

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.

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

5 OTHER OPERATING INCOME

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Interest income on				
- short term deposits	1,236	1,364	914	1,017
- trade receivables	35	65	35	65
Compensation from supplier	291	-	-	-
Gain on disposal of property, plant and equipment	74	64	74	64
Rental income	-	-	612	153
Miscellaneous income	141	43	74	22
	1,777	1,536	1,709	1,321

6 (LOSS)/ PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
(Loss)/ profit from operations is arrived at after charging/(crediting):				
Auditors' remuneration	130	130	85	85
Hire of machinery and equipment	418	415	386	397
Property, plant and equipment written off	-	58	-	51
Reversal of allowance for doubtful debts	-	(68)	-	(68)
Loss/ (gain) on foreign exchange				
- realised	1,642	(781)	2,614	(219)
- unrealised	(1)	118	(8)	76

The cost of goods sold for the Group and the Company recognised as an expense during the financial year/ period amounted to RM296,673,000 and RM281,441,000 respectively (2008: RM462,747,000 and RM441,852,000).





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

7 STAFF COSTS

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Wages, salaries and bonus	16,170	24,599	14,185	21,807
Defined contribution retirement plan	2,256	2,461	2,071	2,278
Defined benefit retirement plan	1,260	608	1,187	566
Other employee benefits	1,323	1,555	1,088	1,264
	21,009	29,223	18,531	25,915

8 DIRECTORS' REMUNERATION

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

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Non-executive Directors:				
- fees	151	155	151	155
Executive Directors:				
- salaries and bonus	918	856	609	554
- defined contribution retirement plan	134	128	92	83
- defined benefit retirement plan	247	-	-	-
- estimated monetary value of benefits-in-kind	43	53	32	39
	1,342	1,037	733	676
	1,493	1,192	884	831

The Executive Directors' salaries, bonus and payments to retirement plans are included in staff costs in the income statement for the financial year/ period.

Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

8 DIRECTORS' REMUNERATION (continued)

Executive Directors of the Company have been granted options under the Employees Share Option Scheme on the same terms and conditions as those offered to other employees of the Group (see Note 26(b)) as follows:

Granted on	Subscription price per share	Balance as at 1.4.2008	Granted	Exercised	Lapsed	Balance as at 31.3.2009
17.3.2000	RM2.48	35,000	-	-	-	35,000
					31.3.2009	31.3.2008
					'000	'000
Number of share options vested at balance sheet date					35	35

There was no exercise of share options by the Executive Directors in the current financial year (2008: Nil).

9 FINANCE COST

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Bank and other financial charges	274	415	206	325

10 TAX EXPENSE

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
<u>Current tax</u>				
Current year	2,248	8,383	1,708	7,429
Under/ (over) provision in prior years	32	(313)	(68)	(133)
	2,280	8,070	1,640	7,296
<u>Deferred tax (Note 25)</u>				
Origination and reversal of temporary differences	(2,637)	(1,829)	(2,237)	(1,433)
Tax expense	(357)	6,241	(597)	5,863





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

10 TAX EXPENSE (continued)

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

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
(Loss)/ profit from ordinary activities before tax	(995)	24,454	(2,641)	21,484
Tax calculated at the Malaysian tax rate of 25% (2008: 26.8%)	(249)	6,554	(660)	5,758
Tax effects of:				
- expenses not deductible for tax purposes	168	517	158	457
- double deduction claims	(48)	(165)	(8)	(74)
- utilisation of reinvestment allowances	-	(143)	-	(72)
- changes in future applicable tax rates	-	(126)	-	(73)
- elimination of unrealised profits on consolidation	(257)	(83)	-	-
- others	(3)	-	(19)	-
Under/ (over) provision in prior years	32	(313)	(68)	(133)
Tax expense	(357)	6,241	(597)	5,863

The Group and the Company have no unutilised reinvestment allowances as at 31 March 2009 (2008: Nil) available for set-off against future assessable income.

11 (LOSS)/ EARNINGS PER SHARE

(a) Basic (loss)/ earnings per share

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

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

11 (LOSS)/ EARNINGS PER SHARE (continued)

(a) Basic (loss)/ earnings per share (continued)

	GROUP	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Net (loss)/ profit attributable to shareholders (RM '000)	(638)	18,213
Weighted average number of ordinary shares in issue ('000)	132,259	133,201
Basic (loss)/ earnings per share (sen)	(0.5)	13.7

(b) Diluted (loss)/ earnings per share

The Group does not have any dilutive potential ordinary shares as the market price of the shares as at 31 March 2009 of RM0.76 per share was lower than the exercise price of the employee option tranche of RM1.07 per share and below the other tranche price of RM2.48 per share. As a result, these share options are anti-dilutive in nature and have not been considered in the computation of diluted earnings per share.

In respect of share options granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for shares for no consideration. This calculation serves to determine the 'bonus' element in the share options outstanding for the purpose of computing the dilution. No adjustment is made to net (loss)/ profit for the year/ period for the share options calculation.

	GROUP	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Net (loss)/ profit attributable to shareholders (RM'000)	(638)	18,213
Weighted average number of ordinary shares in issue ('000)	132,259	133,201
Adjustment for share options ('000)	-	4
Weighted average number of ordinary shares for diluted earnings per share ('000)	132,259	133,205
Diluted (loss)/ earnings per share (sen)	(0.5)	13.7





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

12 DIVIDENDS

	GROUP AND COMPANY			
	Financial year ended 31.3.2009		Financial period ended 31.3.2008	
	Dividends per share Sen	Amount of dividends, net of tax RM'000	Dividends per share Sen	Amount of dividends, net of tax RM'000
Interim dividends				
Financial year ended 31 March 2009				
- paid on 5 September 2008, less 26% tax	7.5	7,340	-	-
- paid on 30 March 2009, tax exempt	5.0	6,613	-	-
Financial period ended 31 March 2008				
- paid on 15 June 2007, less 27% tax	-	-	7.5	7,297
- paid on 31 March 2008, less 26% tax	-	-	5.0	4,905
	12.5	13,953	12.5	12,202

13 PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in progress RM'000	Total RM'000
2009					
<u>Cost or valuation</u>					
At beginning of the year					
- Cost	12,924	231,584	7,458	1,043	253,009
- Valuation	10,200	-	-	-	10,200
	23,124	231,584	7,458	1,043	263,209
Additions	-	-	-	5,943	5,943
Disposals/written off	-	(376)	(410)	-	(786)
Reclassifications	162	4,532	184	(4,878)	-
At end of the year	23,286	235,740	7,232	2,108	268,366
<u>Accumulated depreciation</u>					
At beginning of the year					
Charge for the year	13,665	160,493	5,727	-	179,885
Disposals/written off	711	10,480	497	-	11,688
	-	(308)	(407)	-	(715)
At end of the year	14,376	170,665	5,817	-	190,858

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in progress RM'000	Total RM'000
<u>2009 (continued)</u>					
<u>Accumulated impairment loss</u>					
At beginning of the year	-	125	-	-	125
Impairment for the year	-	-	-	-	-
At end of the year	-	125	-	-	125
<u>Net book value</u>					
- Cost	7,143	64,950	1,415	2,108	75,616
- Valuation	1,767	-	-	-	1,767
	8,910	64,950	1,415	2,108	77,383
<u>2008</u>					
<u>Cost or valuation</u>					
At beginning of the period					
- Cost	12,675	231,503	8,165	1,669	254,012
- Valuation	10,200	-	-	-	10,200
	22,875	231,503	8,165	1,669	264,212
Additions	-	-	-	7,602	7,602
Disposals/ written off	(1)	(7,196)	(1,408)	-	(8,605)
Reclassifications	250	7,277	701	(8,228)	-
At end of the period	23,124	231,584	7,458	1,043	263,209
<u>Accumulated depreciation</u>					
At beginning of the period	12,629	155,008	6,550	-	174,187
Charge for the period	1,037	12,621	484	-	14,142
Disposals/ written off	(1)	(7,136)	(1,307)	-	(8,444)
At end of the period	13,665	160,493	5,727	-	179,885





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in progress RM'000	Total RM'000
<u>2008 (continued)</u>					
<u>Accumulated impairment loss</u>					
At beginning of the period	-	125	-	-	125
Impairment for the period	-	-	-	-	-
At end of the period	-	125	-	-	125
<u>Net book value</u>					
- Cost	7,434	70,966	1,731	1,043	81,174
- Valuation	2,025	-	-	-	2,025
	9,459	70,966	1,731	1,043	83,199

Company	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in progress RM'000	Total RM'000
<u>2009</u>					
<u>Cost or valuation</u>					
At beginning of the year					
- Cost	12,918	198,218	6,932	992	219,060
- Valuation	10,200	-	-	-	10,200
	23,118	198,218	6,932	992	229,260
Additions	-	-	-	5,279	5,279
Disposals/ written off	-	(165)	(410)	-	(575)
Reclassifications	162	4,362	179	(4,703)	-
At end of the year	23,280	202,415	6,701	1,568	233,964
<u>Accumulated depreciation</u>					
At beginning of the year	13,659	141,699	5,296	-	160,654
Charge for the year	711	8,885	468	-	10,064
Disposals/ written off	-	(165)	(407)	-	(572)
At end of the year	14,370	150,419	5,357	-	170,146
<u>Net book value</u>					
- Cost	7,143	51,996	1,344	1,568	62,051
- Valuation	1,767	-	-	-	1,767
	8,910	51,996	1,344	1,568	63,818

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in progress RM'000	Total RM'000
<u>2008</u>					
<u>Cost or valuation</u>					
At beginning of the period					
- Cost	12,669	198,693	7,510	1,561	220,433
- Valuation	10,200	-	-	-	10,200
Additions	22,869	198,693	7,510	1,561	230,633
Disposals/ written off	-	-	-	6,670	6,670
Reclassifications	(1)	(6,903)	(1,139)	-	(8,043)
	250	6,428	561	(7,239)	0
At end of the period	23,118	198,218	6,932	992	229,260
<u>Accumulated depreciation</u>					
At beginning of the period	12,623	137,925	5,964	-	156,512
Charge for the period	1,037	10,536	458	-	12,031
Disposals/ written off	(1)	(6,762)	(1,126)	-	(7,889)
At end of the period	13,659	141,699	5,296	-	160,654
<u>Net book value</u>					
- Cost	7,434	56,519	1,636	992	66,581
- Valuation	2,025	-	-	-	2,025
	9,459	56,519	1,636	992	68,606

GROUP AND COMPANY
2009 **2008**
RM'000 **RM'000**

Net book value of revalued assets had these assets
been carried at cost less accumulated depreciation:

- Buildings 1,947 2,229





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

14 PREPAID LEASE RENTALS

	GROUP AND COMPANY	
	2009	2008
	RM'000	RM'000
At beginning of year/ period	15,194	15,433
Amortisation for the year/ period	(189)	(239)
At end of the year/ period	15,005	15,194
Valuation	15,622	15,622
Accumulated amortisation	(617)	(428)
	15,005	15,194

The prepaid lease payments are in respect of a land with a tenure of 99 years leasehold expiring in year 2088.

15 SUBSIDIARIES

	COMPANY	
	2009	2008
	RM'000	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	
			2009	2008
			%	%
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

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

16 INVENTORIES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Raw materials	5,298	9,551	2,759	5,757
Work-in-progress	19,101	32,734	18,918	31,788
Finished goods	12,522	14,697	6,931	9,136
Operating supplies and spare parts	10,632	9,212	9,240	8,160
	47,553	66,194	37,848	54,841

17 TRADE RECEIVABLES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	19,089	48,759	8,382	27,344
Less: Allowance for doubtful debts	-	-	-	-
	19,089	48,759	8,382	27,344

The currency exposure profile of trade receivables is as follows:

- Ringgit Malaysia	6,790	25,858	5,733	17,572
- US Dollar	12,073	22,479	2,423	9,350
- Singapore Dollar	138	422	138	422
- Euro	88	-	88	-
	19,089	48,759	8,382	27,344

Credit terms of trade receivables of the Group and the Company range from 7 days to 75 days (2008: 15 days to 75 days).

18 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amounts due from subsidiaries:				
Trade	-	-	10,797	21,268
Non-trade	-	-	239	242
Total	-	-	11,036	21,510



Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

18 AMOUNTS DUE FROM SUBSIDIARY COMPANIES (continued)

Amounts due from subsidiary companies are denominated in Ringgit Malaysia.

The trade balances due from subsidiary companies are unsecured, interest free and have credit terms ranging from 30 to 60 days (2008: 30 to 60 days). The non-trade balances due from subsidiary companies are unsecured, interest free and have no fixed terms of repayment.

19 OTHER RECEIVABLES AND PREPAYMENTS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Prepayments	519	2,000	514	1,114
Deposits	136	140	124	127
Employee loans and other receivables	150	449	94	314
Total	805	2,589	732	1,555

The currency exposure profile of other receivables and prepayments is as follows:

- Ringgit Malaysia	602	1,657	529	1,374
- US Dollar	156	842	156	91
- Singapore Dollar	47	24	47	24
- Sterling Pound	-	51	-	51
- Japanese Yen	-	15	-	15
	805	2,589	732	1,555

20 DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks	51,358	43,013	42,708	33,063
Cash and bank balances	9,256	4,388	4,431	3,658
	60,614	47,401	47,139	36,721

The currency exposure profile of deposits, cash and bank balances is as follows:

- Ringgit Malaysia	54,461	47,396	44,897	36,716
- US Dollar	6,153	5	2,242	5
	60,614	47,401	47,139	36,721

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

20 DEPOSITS, CASH AND BANK BALANCES (continued)

The weighted average interest rates on year/ period end deposit placements were as follows:

	GROUP		COMPANY	
	2009 %	2008 %	2009 %	2008 %
Deposit with licensed banks	1.98	3.28	2.00	3.28

The deposits of the Group and the Company have maturity periods which range from overnight to 61 days (2008: 12 days). Bank balances are deposits held at call with banks and are non-interest bearing.

21 TRADE PAYABLES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	3,225	19,521	2,422	17,326
Trade related accruals	2,523	6,261	1,963	5,573
Payroll related accruals				
- provision for retirement benefits (Note 24)	585	297	585	297
- others	1,909	4,445	1,717	4,066
	8,242	30,524	6,687	27,262

The currency exposure profile of trade payables is as follows:

- Ringgit Malaysia	7,301	15,801	6,052	13,001
- US Dollar	751	14,346	615	14,127
- Japanese Yen	170	243	-	-
- Singapore Dollar	20	133	20	133
- Euro	-	1	-	1
	8,242	30,524	6,687	27,262

Credit terms of trade payables granted to the Group and the Company vary from 15 days to 90 days (2008: 7 days to 90 days) terms from month end.





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

22 OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Plant and equipment purchases payable	1,281	1,225	1,230	1,056
Other accruals and sundry payables	1,891	2,144	1,799	1,982
	3,172	3,369	3,029	3,038
The currency exposure profile of other payables and accruals is as follows:				
- Ringgit Malaysia	2,192	2,776	2,049	2,446
- US Dollar	908	573	908	573
- Sterling Pound	72	19	72	19
- Japanese Yen	-	1	-	-
	3,172	3,369	3,029	3,038

23 AMOUNTS DUE TO RELATED COMPANIES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<u>Trade</u>				
Amounts due to subsidiary company	-	-	611	591
<u>Non-trade</u>				
Amounts due to other related companies	27	10	27	10
Total	27	10	638	601
The currency exposure profile of amounts due to related companies is as follows:				
- Ringgit Malaysia	-	-	611	591
- US Dollar	27	3	27	3
- Euro	-	7	-	7
	27	10	638	601

The trade balances due to subsidiary company and other related companies are unsecured, interest free and have credit terms of 30 days (2008: 30 days). The non-trade balances due to subsidiary company and other related companies are unsecured, interest free and have no fixed terms of repayment.

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

24 PROVISION FOR RETIREMENT BENEFITS

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Defined benefit retirement plan				
At beginning of the year / period	5,079	4,858	4,783	4,604
Charged to the income statement*	1,260	608	1,187	566
Benefits paid	(425)	(387)	(386)	(387)
At end of the year / period	5,914	5,079	5,584	4,783
Represented by:				
Present value of unfunded obligations	5,914	5,079	5,584	4,783
Reflected on the balance sheets as:				
Current (Note 21)	585	297	585	297
Non-current	5,329	4,782	4,999	4,486
	5,914	5,079	5,584	4,783
The movement in the present value of unfunded obligations are as follows:				
Defined benefit retirement plan				
At beginning of the year / period	5,079	4,858	4,783	4,604
Current service cost	273	380	252	350
Interest cost	242	228	228	216
Actuarial losses	745	-	707	-
Benefits paid	(425)	(387)	(386)	(387)
At end of the year / period	5,914	5,079	5,584	4,783
*The charge to the income statement is analysed as follows:				
Current service cost	273	380	252	350
Interest cost	242	228	228	216
Actuarial losses	745	-	707	-
	1,260	608	1,187	566



Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

24 PROVISION FOR RETIREMENT BENEFITS (continued)

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

	GROUP AND COMPANY	
	2009	2008
	%	%
Discount rate	4.5	5.0
Expected average rate of salary increases	4.3	4.3

The Group operates an unfunded final salary defined benefit plan for its employees. Independent actuaries value the scheme every 3 years using the projected unit credit method. The latest actuarial valuation was carried out on 31 March 2009.

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

	GROUP		COMPANY	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded obligations	5,914	5,079	5,584	4,783
Experience loss adjustment on plan liabilities	745	-	707	-

25 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 balance sheet:

	GROUP		COMPANY	
	Financial year ended 31.3.2009	Financial period ended 31.3.2008	Financial year ended 31.3.2009	Financial period ended 31.3.2008
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities:				
At start of year/ period	11,695	13,524	8,856	10,289
Credited to income statement: (Note 10)				
- property, plant and equipment	(1,566)	(1,688)	(1,384)	(1,266)
- provisions and allowances	(1,071)	(141)	(853)	(167)
	(2,637)	(1,829)	(2,237)	(1,433)
At end of year/ period	9,058	11,695	6,619	8,856

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

25 DEFERRED TAXATION (continued)

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	13,498	15,064	10,550	11,934
Offsetting	(4,440)	(3,369)	(3,931)	(3,078)
Deferred tax liabilities (after offsetting)	9,058	11,695	6,619	8,856
Deferred tax assets (before offsetting)				
- provisions and allowances	4,440	3,369	3,931	3,078
Offsetting	(4,440)	(3,369)	(3,931)	(3,078)
Deferred tax assets (after offsetting)	-	-	-	-

26 SHARE CAPITAL

	GROUP AND COMPANY	
	2009 RM'000	2008 RM'000
Authorised:		
Ordinary shares of RM1.00 each	200,000	200,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of the year/ period	134,331	134,329
Share options exercised during the year/ period	-	2
At end of the year/ period	134,331	134,331

(a) Treasury shares

During the financial year ended 31 March 2009, the Company repurchased 10,000 (2008: 1,022,200) of its issued share capital from the open market for RM8,470 (2008: RM1,117,198) at RM0.84 (2008: RM1.09) per share, with internally generated funds. The shares repurchased are being held as treasury shares (Note 27) as allowed under Section 67A of the Companies Act 1965. There were no resale or cancellation of treasury shares during the financial year. Treasury shares have no right to voting, dividends and participation in other distribution.





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

26 SHARE CAPITAL (continued)

(a) Treasury shares (continued)

At balance sheet date, of the total 134,330,848 (2008: 134,330,848) issued and fully paid ordinary shares, 2,079,000 (2008: 2,069,000) are held as treasury shares by the Company. At balance sheet date, the number of shares with voting rights in issued and fully paid share capital is 132,251,848 (2008: 132,261,848) ordinary shares of RM1.00 each.

(b) Employee Share Option Scheme ('ESOS')

The main features of the ESOS are as follows:

- (i) The total number of shares to be issued by the Company shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company.
- (ii) The option price shall be based on the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by the Malaysian Securities Exchange Berhad for the 5 market days preceding the offer date, or the par value of the Company of RM1.00 whichever is the higher.
- (iii) The ESOS scheme shall be in force for a year of 10 years up to 13 March 2010.

The movements during the financial year in the number of options over the shares of the Company pursuant to the ESOS are as follows:

Granted	Subscription price per share	Balance as at 1.4.2008 '000	Granted '000	Exercised '000	Lapsed '000	Balance as at 31.3.2009 '000
17.3.2000	RM2.48	1,482	-	-	(81)	1,401
19.6.2001	RM1.07	17	-	-	-	17
		1,499	-	-	(81)	1,418
					2009 '000	2008 '000
Number of share options vested at balance sheet date					1,418	1,499

Details relating to options exercised during the financial year/ period are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued 2009 '000	2008 '000
5 February 2007	1.36	1.07	-	2
			-	2

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

26 SHARE CAPITAL (continued)

	GROUP AND COMPANY	
	2009 RM'000	2008 RM'000
Ordinary share capital – at par	-	2
Share premium	-	-
Proceeds received on exercise of share options	-	2
Fair value at exercise date of shares issued	-	3

In 2008, the shareholders approved a new ESOS to replace the abovementioned scheme. This new scheme will however only come into effect when the existing ESOS is terminated upon consent from all existing option holders.

27 REVALUATION AND OTHER RESERVES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable:				
Revaluation reserve	468	468	4,500	4,500
Capital redemption reserve	4,000	4,000	4,000	4,000
Treasury shares	(2,330)	(2,321)	(2,330)	(2,321)
	2,138	2,147	6,170	6,179

Revaluation reserve

The revaluation reserve represents the surplus arising from the revaluation of certain leasehold land and buildings of the Company in 1985.

Capital redemption reserve

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

Treasury shares

The shares repurchased are being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965. There were no resale or cancellation of treasury shares during the financial year. Treasury shares have no rights to voting, dividends and participation in other distribution.





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

28 REVENUE RESERVE

Subject to agreement by the tax authority the Company has sufficient Section 108 tax credits and tax exempt income to frank approximately RM34,286,000 (2008: RM45,814,000) of the revenue reserve of the Company as at 31 March 2009 if paid out as dividends. The extent of the revenue reserve not covered at that date amounted to RM12,804,000 (2008: RM17,273,000).

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

29 FUTURE CAPITAL EXPENDITURE

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements are as follows:				
- contracted	1,311	1,147	1,311	1,096
- not contracted	319	1,209	299	1,102
	1,630	2,356	1,610	2,198

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

In the normal course of business, the Group and the Company undertakes, on agreed terms and prices, a variety of transactions with certain 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<u>Income</u>				
Sales of finished goods to:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	102,370	147,585

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Management service fees from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	888	25
Rental income from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	612	153
Expenditure				
Purchases of materials from:				
- Novelis Korea Ltd, a related company incorporated in Korea	17,964	33,621	17,964	33,621
- Hindalco Industries Limited, ultimate holding company	580	-	580	-
Purchases of scrap from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	11,802	11,605
Technical service fees charged by				
- Novelis Inc., holding company	277	434	185	290

(b) Key management remuneration

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



Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Key management remuneration (continued)

	GROUP		COMPANY	
	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Key management personnel remuneration are as follows:				
Salaries and bonus	2,695	2,936	2,168	2,238
Defined contribution retirement plan	221	211	221	211
Defined benefit retirement plan	247	-	247	-
Estimated monetary value of benefits-in-kind	234	242	177	159
	3,397	3,389	2,813	2,608

31 FINANCIAL INSTRUMENTS

Details of the Group's credit risk, financial instruments entered into and the fair values of financial assets and liabilities are as follows:

(a) Credit risk

Trade receivables

There is limited concentration of credit risk in respect of trade receivables due to the spread of the number of customers both in the domestic and in export markets. Export sales are in fact subject to tighter rules and control in view of the sovereign risk. The level and aging of receivables as at year/ period end fall within the Group's historical experience of collection. As such, management believes that no additional credit risk beyond the amount already provided as allowance for doubtful debts exists.

(b) Forward foreign exchange contracts

Aside from using natural hedges, the Group also enters into forward foreign currency exchange contracts to limit their exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

2009

As at 31 March 2009, the settlement date of the open forward exchange contract is 2 months. The foreign currency amount to be received and contractual exchange rate of the Company's outstanding contract is as follows:

Notes to the Financial Statements (continued)
For the Financial Year Ended 31 March 2009

31 FINANCIAL INSTRUMENTS (continued)

(b) Forward foreign exchange contracts (continued)

Hedged item	Currency to be received	Currency to be paid	RM equivalent	Contractual rate
Trade receivables: SGD 35,000	Ringgit Malaysia	Singapore Dollar	84,000	RM1 = SGD0.418

There are no outstanding forward contracts entered into by other Group companies as at balance sheet date.

2008

As at 31 March 2008, the settlement dates of the open forward exchange contracts range between 1 month to 2 months. The foreign currency amounts to be received and contractual exchange rates of the Company's outstanding contracts were as follows:

Hedged item	Currency to be received	Currency to be paid	RM equivalent	Contractual rate
Trade receivables: SGD 91,000	Ringgit Malaysia	Singapore Dollar	209,000	RM1 = SGD0.436
Trade receivables: USD 3,078,000	Ringgit Malaysia	United States Dollar	9,870,000	range from RM1 = USD0.309 to RM1 = USD0.314

In addition to the above, the outstanding contracts entered into by other Group companies are as follows:

Hedged item	Currency to be received	Currency to be paid	RM equivalent	Contractual rate
Trade receivables: USD 3,984,000	Ringgit Malaysia	United States Dollar	12,770,000	range from RM1 = USD0.309 to RM1 = USD0.314

(c) Fair values

The fair value of the outstanding forward foreign exchange contract of the Group and the Company at the balance sheet date was an unfavourable position of RM835 (2008: favourable position of RM361,006 and RM159,250 respectively).

The carrying amounts of the provision for retirement benefits and other financial assets and liabilities of the Group and Company at the balance sheet date approximate their fair values.





Notes to the Financial Statements (continued)

For the Financial Year Ended 31 March 2009

32 SEGMENT INFORMATION

(a) Primary segment - business

The Group is solely involved in the manufacturing and trading of aluminium products.

(b) Secondary segment - geographical

In determining the geographical segments of the Group, sales are based on the region in which the customer is located. Total assets and capital expenditure are determined based on where the assets are located.

	Financial year ended 31.3.2009 RM'000	Revenue Financial period ended 31.3.2008 RM'000	Financial year ended 31.3.2009 RM'000	Total assets Financial period ended 31.3.2008 RM'000	Capital expenditure Financial year ended 31.3.2009 RM'000	Financial period ended 31.3.2008 RM'000
Malaysia *	197,071	332,677	223,646	263,336	5,943	7,602
Asia	81,838	105,925	-	-	-	-
Other regions	23,984	57,943	-	-	-	-
	302,893	496,545	223,646	263,336	5,943	7,602

* Included in sales to Malaysian customers are sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM59,852,000 (2008: RM102,861,000).

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 May 2009.

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 Tan See Ping, 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 42 to 82 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 2009 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 May 2009.



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



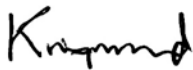
TAN SEE PING
DIRECTOR

Bukit Raja, Klang

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Krishna Prasad a/l Balakrishnan Nair, being 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 42 to 82 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.



KRISHNA PRASAD A/L BALAKRISHNAN NAIR

Subscribed and solemnly declared by the abovenamed Krishna Prasad a/l Balakrishnan Nair at Petaling Jaya in Malaysia on 25 May 2009 before me.



COMMISSIONER FOR OATHS

92M, JALAN SS21/39,
DAMANSARA UTAMA P.J
TEL: 7728 2811
H/P: 013-369 4119



Independent Auditors' Report

To the Members of Aluminium Company of Malaysia Berhad (Company No. 3859 U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Aluminium Company of Malaysia Berhad, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements 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 pages 42 to 82.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2009 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report (continued)
To the Members of Aluminium Company of Malaysia Berhad (Company No. 3859 U)

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 accounts 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 report on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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



ERIC OOI LIP AUN
(No. 1517/06/10 (J))
Chartered Accountant

Kuala Lumpur
25 May 2009





Property of the Group

As at 31 March 2009

Location	Description	Tenure	Land Area	Approximate Built up Area (sq.metre)	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	35,964	Range from 18 to 27	RM23.9 million	1985



Form of Proxy

Forty-Eighth Annual General Meeting

ALUMINIUM COMPANY OF MALAYSIA BERHAD
(3859-U)

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

of _____
(Address)

being a Member/Members of Aluminium Company of Malaysia Berhad, hereby appoint _____
(Full name in block capitals)

of _____
(Address)

or failing him _____
(Full name in block capitals)

of _____
(Address)

as my/our proxy to attend and vote for me/us on my/our behalf at the Forty-Eighth Annual General Meeting of the Company to be held at the Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 25 August 2009 at 11.45 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

			FOR	AGAINST
1	Resolution 1	Re-election of Dato' Kok Wee Kiat		
2	Resolution 2	Re-election of Mr. Thomas L. Walpole		
3	Resolution 3	Re-election of Mr. Sachin Yeshawant Satpute		
4	Resolution 4	Approval of Directors' Fee		
5	Resolution 5	Re-appointment of Messrs PricewaterhouseCoopers as Auditors of the Company		
6	Resolution 6	As Special Business: Ordinary Resolution Section 132D, Companies Act, 1965 - Issue of New Shares		
7	Resolution 7	As Special Business: Ordinary Resolution – Proposed Renewal of Share Buy Back Authority		
8	Resolution 8	As Special Business: Ordinary Resolution - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(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 _____ 2009 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) 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) A member who is an authorised nominee may appoint at least one proxy in respect of each securities account it holds with ordinary shares standing to the credit of the said securities account.
- 4) 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.
- 5) 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.

Fold the flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

No.3, Persiaran Waja, Kawasan Perindustrian Bukit Raja,
41050 Klang P.O.Box 233, 41720 Klang,
Selangor Darul Ehsan.

Telephone : 03-3346 6262

Telefax : 03-3341 2793