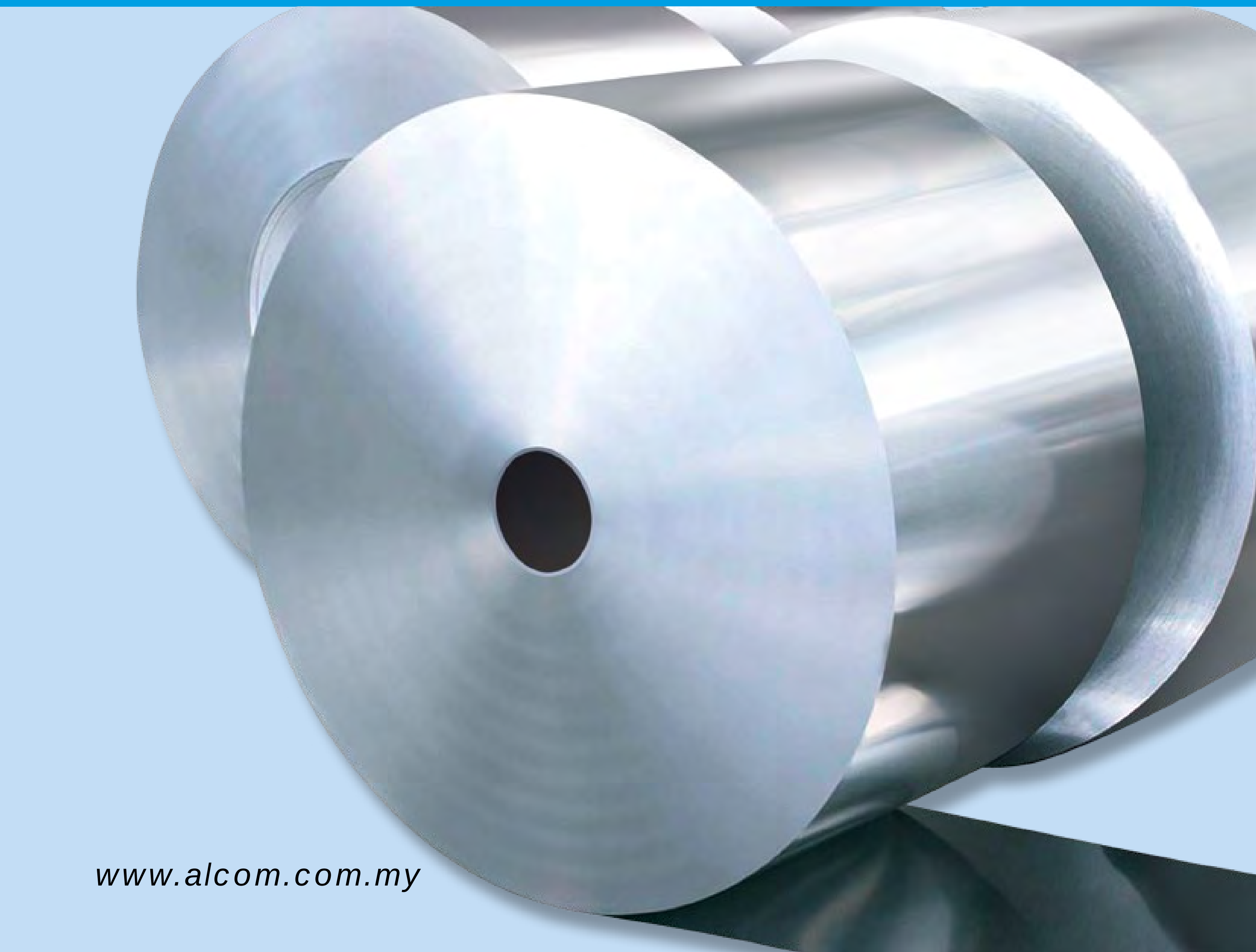
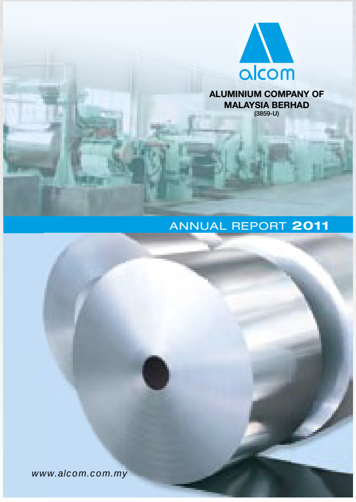
ALUMINIUM COMPANY OF MALAYSIA BERHAD

(3859-U)

ANNUAL REPORT **2011**



www.alcom.com.my



COVER RATIONALE

Quality sustainability is an integral part of ALCOM's long term business strategies. In the financial year ahead, ALCOM will commission new finishing equipment including the tension leveler machines similar to that depicted on the cover. These investments will enable ALCOM to add value by enhanced quality levels to customers and also to widen product offerings as well as expand market reach.

AWARDS AND HONOURS

1. **STARBIZ-ICR CORPORATE RESPONSIBILITY AWARDS**
   Finalist "Environment" Category 2010
2. **O.Y.L. MANUFACTURING CO. SDN. BHD.**
   Long Business Partner Award 2010
3. **O.Y.L. MANUFACTURING CO. SDN. BHD.**
   Green Procurement Partner Certificate 2010
4. **O.Y.L. MANUFACTURING CO. SDN. BHD.**
   Excellent Business Partner Award 2010
5. **STARBIZ-ICR COPORATE RESPONSIBILITY AWARDS**
   WINNER "Workplace" Category 2009
6. **TOSHIBA CARRIER (THAILAND) CO. LTD.**
   Excellent Award 2009
7. **INDUSTRY EXCELLENCE AWARDS**
   Product Excellence Award 2008 (Open Category)
8. **INDUSTRY EXECELLENCE AWARDS**
   Prime Minister's Award for Industry Excellence 2008
9. **HITACHI AIR-CONDITIONING PRODUCTS (M) SDN. BHD.**
   Excellent Business Partners' Award 2007
10. **PANASONIC HA AIR-CONDITIONING (M) SDN. BHD**
    Strategic Business Partner Award 2007
11. **NOVELIS GLOBAL EHS RECOGNITION**
    Gold Award 2006

1

2

3

4

5

6

7

8

9

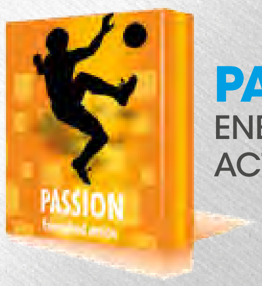
10

11

OUR CORE VALUES

INTEGRITY:
HONESTY IN
EVERY ACTION

COMMITMENT:
DELIVER ON
THE PROMISE



PASSION:
ENERGIZED
ACTION

SEAMLESSNESS:
BOUNDARY LESS
IN LETTER AND SPIRIT

SPEED:
ONE STEP
AHEAD ALWAYS

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting of Aluminium Company of Malaysia Berhad will be held at Level 3, Atlanta East, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 August 2011 at 11.30 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31 March 2011 and the reports of the directors and auditors thereon.

2. To re-elect Thomas L. Walpole who retires in accordance with Article 92(A) of the Articles of Association of the Company. **ORDINARY RESOLUTION 1**

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

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

5. To approve the payment of directors' fees of RM136,000 for the financial year ended 31 March 2011 (2010: RM136,000). **ORDINARY RESOLUTION 4**

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

AS SPECIAL BUSINESS

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

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

   ORDINARY RESOLUTION 6

   "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."

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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

ORDINARY RESOLUTION 7

"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 2011 are RM40,146,673 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.

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 Fiftieth 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."

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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

   ORDINARY RESOLUTION 8

   "That, subject always to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and its subsidiaries shall be mandated to enter into the category of recurrent transactions of revenue or trading nature with those related parties as set out in Section 2.2 and 2.4 of the Circular dated 26 July 2011 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 Fiftieth AGM at which such mandate was passed, at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed;

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

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

      whichever occurs first.

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

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

By Order of the Board

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

Bukit Raja, Klang
Date: 26 July 2011

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

NOTE:

Proxy

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

2. 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:

Ordinary Resolution 6

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

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 26 August 2010 and which will lapse at the conclusion of the Fiftieth Annual General Meeting.

Ordinary 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.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Ordinary 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 26 July 2011 with regard to Ordinary Resolution 8.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

Details of Directors seeking re-election or re-appointment as mentioned in the Notice of Annual General Meeting are set out in their respective profiles which appear in the Directors' Profile on pages 25 to 27 of this annual report. Directors' interests in the securities of the Company are disclosed on page 42 of this annual report.

CORPORATE GOVERNANCE

ALCOM's Board of Directors is committed to ensuring that the highest standards of corporate governance are practiced 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 Board regularly reviews corporate governance practices and guide 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 2011.

A. 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.

The Group is lead by an effective Board comprising members of calibre . The directors from diverse professional backgrounds with wide range of relevant business and financial experience to bring about independent judgment 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 25 to 27 of the Annual Report.

Board Balance

ALCOM's Board as at end of the financial year had six (6) members comprising one independent non-executive Chairman, two independent non-executive directors, two 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.

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).

CORPORATE GOVERNANCE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

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 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. Reports of proceedings and outcome of the various committee meetings are submitted to the Board.

Audit Committee

The Audit Committee of the Board comprises of 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 ending 31 March 2011 can be found on pages 20 to 23.

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. Thomas L. Walpole

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.

CORPORATE GOVERNANCE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

Nomination Committee (continued)

During the financial year ended 31 March 2011, the Nomination Committees met once on 25 May 2010. During the meeting, 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; and were satisfied that the required mix of skills, experience, competencies, professional qualifications and other qualities of the Directors were sufficient and contributed positively to the Board Committees and the Board as a whole.

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

Name of nomination committee member	No. of meeting attended while in office
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	1 / 1
Dato' Kok Wee Kiat	1 / 1
Mr. Thomas L. Walpole	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. Thomas L. Walpole

During the financial year ended 31 March 2011, the Committee met twice on 26 August 2010 and 21 February 2011. 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. Thomas L. Walpole	2 / 2

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 2011, 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
25 May 2010	11:00 a.m.	ALCOM, Bukit Raja, Klang
26 August 2010	11:00 a.m.	Hotel Armada, Petaling Jaya
30 November 2010	10:30 a.m.	ALCOM, Bukit Raja, Klang
21 February 2011	10:30 a.m.	ALCOM, Bukit Raja, Klang

CORPORATE GOVERNANCE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

Board Meetings (continued)

Details of attendance of the directors at meetings held in the financial year ended 31 March 2011 are 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. Thomas L. Walpole	24 November 2008	3/4	75
Mr. Sachin Yeshawant Satpute	25 May 2009	3/4	75

*Note : * Number of meetings attended/numbers of meetings held while in office*

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 results areas; 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.

Re-Appointment and Re-Election of Directors

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

The Company's Articles of Association provide that at every annual general meeting of the Company, one third of the Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election.

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)

A. BOARD OF DIRECTORS (CONTINUED)

Directors' Training (continued)

The Directors have during the financial year ended 31 March 2011, attended the following training programs:-

Name of directors	Particulars of training attended and date
Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar	Building Investors' Confidence Through Good Corporate Governance (1 September 2010)
Mr. Tan See Ping	1. Leadership Development – Personal Mastery (21 & 22 January 2011) 2. Global and National Economic Outlook (4 March 2011) 3. Leadership Development – Interpersonal Skills (14 & 15 March 2011)
Dato' Kok Wee Kiat	Tax Seminar - Avoiding Pitfalls (27 October 2010)
Y.M. Tengku Yunus Kamaruddin	1. Financial Reporting Standards (FRS) workshop (10 June 2010) 2. Annual Tax Seminar - Avoiding Pitfalls (27 October 2010) 3. Half Day Directors Session on Sustainability -Plantation, Construction, Property & Hotel (9 February 2011) 4. Half Day Directors Session on Sustainability -Industrial Products (9 March 2011) 5. Assessing The Risk And Control Environment (24 March 2011)
Mr. Thomas L. Walpole	Novelis Leadership Summit – (30 September - 2 October 2010)
Mr. Sachin Yeshawant Satpute	1. Novelis Leadership Summit – (30 September - 2 October 2010) 2. Global Leadership Program – Atlanta – Global mindset - (4 - 8 October 2010) 3. Global Leadership Program – Brazil – Operational Excellence - (16 - 21 January 2011) 4. Global Leadership Program – Shanghai – Leadership - (28 March - 1 April 2011)

B. 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 have been structured to link awards to corporate and individual performance for Executive Directors whilst Non-Executive Directors' remuneration reflect the experience and the level of responsibilities undertaken by individual Non-Executives Directors.

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

CORPORATE GOVERNANCE (CONTINUED)

B. DIRECTORS' REMUNERATION (CONTINUED)

Basic Salary

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

Fees

The Board proposes the fees payable to non-executive Directors after considering comparable organisations and the level of responsibilities undertaken by the Director. 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.

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.

Details of Directors' Remuneration

Remuneration paid or payable or otherwise made available to all the directors of the Company and Group who have served during the financial year ended 31 March 2011 are as follows:

Category	Fees (RM'000)	Salaries (RM'000)	Retirement gratuity (RM'000)	Other emoluments** (RM'000)	Benefits-in-kind* (RM'000)	Total Remuneration (RM'000)
Executive	-	928		112	32	1,072
Non-executive	136	-	-	-	-	136

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

** *Other emoluments include bonuses, retirement benefits and performance awards.*

CORPORATE GOVERNANCE (CONTINUED)

B. DIRECTORS' REMUNERATION (CONTINUED)

Details of Directors' Remuneration (continued)

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

Range of remuneration	Number of directors
Non-executive Directors	
RM0 to RM50,000	2
RM50,001 to RM100,000	1
Executive Directors	
RM250,001 to RM300,000	-
RM300,001 to RM350,000	1#
RM350,001 to RM400,000	-
RM400,001 to RM450,000	-
RM450,001 to RM500,000	-
RM500,001 to RM550,000	-
RM550,001 to RM600,00	-
RM600,001 to RM650,000	-
RM650,001 to RM700,000	-
RM700,001 to RM750,000	1

Remuneration by director is not disclosed for reasons of confidentiality.

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

C. 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.

Whilst the Group has a large corporate shareholder, the interests of minority shareholders are fairly represented by its independent non-executive directors.

CORPORATE GOVERNANCE (CONTINUED)

C. SHAREHOLDERS (CONTINUED)

Dialogue between Group and Investors (continued)

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

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.

D. ACCOUNTABILITY AND AUDIT

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 Board's Statement on Internal Control as set out in pages 17 to 19 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 2011, 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)

D. ACCOUNTABILITY AND AUDIT (CONTINUED)

Internal Control (continued)

The Group's internal audit team from its parent company performs a robust annual risk assessment which then determines the area of focus for the internal audit. The scope of the internal audit as well as the later audit findings are reported by the internal auditors directly to the 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 21 to 23.

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 2011, 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.

E. OTHER INFORMATION

Share Buyback

In the financial year ended 31 March 2011, the Company did not transact any share buyback during the financial year. A total of 2,079,000 shares were retained as treasury shares as at 31 March 2011.

Options, Warrants or Convertible Securities

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

Depository Receipt Programme (DRP)

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

Imposition of Sanctions/Penalties

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

CORPORATE GOVERNANCE (CONTINUED)

E. OTHER INFORMATION (CONTINUED)

Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM12,000.

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 2011	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 20 to 29	RM 22.7 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.

DIRECTORS' STATEMENT ON INTERNAL CONTROL

FOR FINANCIAL YEAR ENDED 31 MARCH 2011

INTRODUCTION

ALCOM's Board of Directors recognizes the importance of maintaining a sound system of internal controls and risk management practices to sustain good corporate governance. This is also in line with The Malaysian Code on Corporate Governance which requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets.

Set out below is the Board of Directors' Statement on Internal Controls, which was prepared in accordance to the guidelines, provided by Bursa Securities.

BOARD RESPONSIBILITIES

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

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 Shareholders' investments as well as the Group's assets
- Reliability and timeliness of financial reporting
- Compliance with applicable laws and regulations

The Board also recognizes 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

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

DIRECTORS' STATEMENT ON INTERNAL CONTROL
FOR FINANCIAL YEAR ENDED 31 MARCH 2011 (CONTINUED)

KEY ELEMENTS OF THE INTERNAL CONTROL ENVIRONMENT

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

- An effective Board with Committees chaired mainly by Independent Non-Executive Director to oversee, monitor and review the Group and Management's performance
- An organization structure with clearly defined roles and responsibilities to achieve the Group's objectives
- Setting annual plans that are in line with the strategic direction as set out in the strategic plans
- Development of action plans as well as Key Results Areas (KRA) for the different key result areas to drive the achievement of the various plans
- Cascading the KRAs 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 key results areas 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 updates cum compliance with regulatory requirements and standards
- Plant visits by members of the Board on a regular basis
- The Group has also in place a whistle blowing procedure which forms part of the Group's Code of Conduct. This provides an avenue for employees to report/complain any wrongdoing by any persons in the Group, or any breach or suspected breach of any law or standards in a safe and confidential manner

DIRECTORS' STATEMENT ON INTERNAL CONTROL FOR FINANCIAL YEAR ENDED 31 MARCH 2011 (CONTINUED)

RISK MANAGEMENT

The Group has in place an on-going process of identifying, evaluating, monitoring and managing the principal risks that the Group faced as it sought to meet its business objectives. This process is embedded into the Group's culture, people, strategy, processes and structures. 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 management makes quarterly representation of the reviews it carried out to its parent company as well as to the Board. This representation serves as a commitment of management assurance on the control system in place for financial reporting accuracy as required.

CONCLUSION

The Board 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

The main functions of the Audit Committee was to assist and support the Board in discharging its fiduciary responsibilities relating to the Group's management with the following keys responsibilities as listed:-

- Overseeing financial reporting and practices
- Evaluating the Internal and External audit processes
- Reviewing conflict of interest situations and related parties transactions, and
- Assessing the risk and control environment

COMPOSITION 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 2011 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 pages 25-27.

During the financial year ended 31 March 2011, 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	3/4	75%

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

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 company secretary who is also the secretary to the Audit Committee would attend 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.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

COMPOSITION AND MEETINGS (CONTINUED)

Internal Audit Function

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

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

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 managing director, the chief financial officer, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company.

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.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

TERMS OF REFERENCE (CONTINUED)

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.

(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.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

TERMS OF REFERENCE (CONTINUED)

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 left to right

MR. SACHIN YESHAWANT SATPUTE (Managing Director)
MR. TAN SEE PING
MR. THOMAS L. WALPOLE
Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR (Chairman) *seated*
DATO' KOK WEE KIAT
Y.M. TENGKU YUNUS KAMARUDDIN
MS. LAM LEE SAN (Secretary)

DIRECTORS' PROFILE

Y.A.M. TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR
Independent, Non-Executive Director and Chairman
Age 63, Malaysian

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 and a member of the Audit Committee, all of which are sub-committees of the Board. He holds a LLB (Hons) degree from Nottingham University, UK in 1970. He was called to the Bar at Gray's Inn in 1971. He was Group Company Secretary of Malaysian National Corp. (PERNAS) from 1971 to 1972, Managing Director of Haw Par Malaysia from 1973 to 1976, CEO of Antah Group of Companies from 1977 to February 2001. Currently Chairman of Syarikat Pesaka Antah Sdn Bhd, he also serves as a Director of Jimah Energy Ventures 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, Patron of the Malaysian Cricket Association, and founding Chairman of the Foundation for Malaysian Sporting Excellence (SportExcel). He is also Patron of the World Squash Federation, 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.

SACHIN YESHAWANT SATPUTE
Non-Independent and Executive Director
Age 45, Indian

Appointed to the Board on 25 May 2009. Holds a Masters of Business Administration (Marketing) from the Jamanalal Bajaj Institute of Management Studies (JBIMS), Mumbai, India in 1993, and Bachelor of Engineering (Mechanical) from the College of Engineering (COEP), Pune, India in 1987.

He began his career with an automotive company, Tata Motors as trainee engineer before joining Indian Aluminium Company Ltd. ("INDAL") which was a subsidiary of ALCAN. Since 1987, Mr. Satpute has accumulated more than 23 years of aluminium industry experience holding number of positions within Hindalco / INDAL in India responsible for Overseas and Domestic Sales & Marketing of aluminium and aluminium downstream products like Extrusions, Foil and Flat rolled products. After INDAL acquisition by Hindalco Industries Ltd., he continued to serve Hindalco in various capacities. In 2004, he was the Asst. Vice President, leading the Hindalco's Rolled Products Export Team in development and implementing of global sales strategy in the overseas market. He was a key member of the core team instrumental in the acquisition of Novelis Inc., by Hindalco Industries Ltd., in 2007. He joined Novelis Korea in July 2007, as Director, Business Development & Innovation and later took on additional responsibility as Vice President, Sales & Marketing of Novelis Korea Ltd on 1st Feb 2010. Following his successful leadership in commercial team at Novelis, he was appointed as Managing Director of ALCOM effective from 1st April 2011.

Mr. Sachin Satpute has rich experience in the Aluminium Industry within Asia and has represented Hindalco / Novelis in various industry forums.

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

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

DIRECTORS' PROFILE (CONTINUED)

DATO' KOK WEE KIAT
Independent and Non-Executive Director
Age 70. Malaysian

Appointed to the Board since 1 January 1996. He is currently Chairman of the Audit Committee and also a member of the Nomination Committee and Remuneration Committee, all of which are sub-committees of the Board. He holds a LLB (Hons) degree from the National University of Singapore. He practised law from 1965 to 1986 and from 1990 to 2000. From 1986 to 1990 he was the Deputy Minister of Trade & Industry of Malaysia. Dato' Kok also sits on the 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. He has been the Honorary Consul in Malaysia for the Grand Duchy of Luxembourg since 2007. Presently, he is also sitting in the Board of the Securities Industry Dispute Resolution Centre.

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

Y.M. TENGKU YUNUS KAMARUDDIN
Independent and Non-Executive Director
Age 70, Malaysian

Appointed to the Board on 27 December 2001 and is also member of the Audit Committee, which is a sub-committee of the Board. He holds a BA Hons (Economics) degree from the University of Wales, is a Fellow member of Institute Of Chartered Accountants (England & Wales), Malaysia Institute of Certified Public Accountants and Malaysia Institute of Accountants. He was an audit partner of an international firm of accountants for 14 years until retirement. From 1985 to 1990 he was appointed by Bank Negara Malaysia to serve on the board of Bank Bumiputra Malaysia Berhad. He is a Director of Keck Seng (Malaysia) Berhad and sits on the Board of UBS Securities Sdn Bhd since 14 September 2005. He was recently appointed as Director of Malaysian Rating Corporation Berhad in 2010.

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

DIRECTORS' PROFILE (CONTINUED)

THOMAS L. WALPOLE
Non-Independent and Non-Executive Director
Age 56, American

Appointed to the Board on 24 November 2008 and is also a member of the Audit, Nomination as well as the Remuneration committees, all of which are sub-committees of the Board. 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. Since February 2007 he was President Novelis Asia & CEO Novelis Korea (formerly known as ATA). With effect from 1 April 2011, in addition to his current positions, he was appointed Senior Vice President Global Manufacturing Excellence for the Novelis Inc Group.

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

TAN SEE PING
Non-Independent and Executive Director
Age 49, Malaysian

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 appointment as Managing Director of ALCOM on 1 June 2006. On 1st April 2011, he was re-designated as Advisor and remains as a Non-Independent Executive Director of the Board. Mr. Tan See Ping 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 in the Company.

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

DIRECTORATE & CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Managing Director
MR. SACHIN YESHAWANT SATPUTE
(Non-Independent Executive Director)
[Appointed on 1 April 2011]

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. TAN SEE PING
(Non-Independent Executive Director)
[Re-designated as Advisor on 1 April 2011]

Joint Secretaries
MS. LAM LEE SAN (MAICSA 7048104)

MS. ENG SOO FUNN (MACS 00044)
[Resigned on 31 May 2011]

MS. ERICIA TAN YOKE KUAN (MAICSA 7056281)
[Appointed on 31 May 2011]

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

NOMINATION COMMITTEE

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

Members
DATO' KOK WEE KIAT

MR. THOMAS L. WALPOLE

REMUNERATION COMMITTEE

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

Members
DATO' KOK WEE KIAT

MR. THOMAS L. WALPOLE

REGISTERED OFFICE

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

REGISTRARS

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

AUDITORS

PricewaterhouseCoopers,
Kuala Lumpur (AF: 1146)

PRINCIPAL BANKERS

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

SOLICITORS

SKRINE

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad -
Main Market

WEBSITE

www.alcom.com.my

GROUP INFORMATION

HEAD OFFICE

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

Telephone : +603-3346 6262
Telefax : +603-3341 2793

MANUFACTURING PLANTS

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

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

Telephone : +603-3346 6262
Telefax : +603-3341 2793

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

No.3, Persiaran Waja
Kawasan Perindustrian Bukit Raja
41050 Klang
P.O. Box 79
41700 Klang
Selangor Darul Ehsan

Telephone : +603-3342 2234
Telefax : +603-3342 2203

PRODUCTS MANUFACTURED

- **Aluminium Sheet Products**

  Treadplate, Flat Sheet, Coiled Sheet,
  Painted Coils, Cladding Sheet

- **Aluminium Building Sheet Products**

  'PAYUNG' - Corrugated Sheet
  '7P', 'Alrib', 'Comspan' Industrial Building Sheets,
  In Stucco-Embossed and Painted Finish

- **Aluminium Foil Products**

  Finstock (Bare & Coated), Cable Foil,
  Diaphragm Foil (Lacquered), Plain Foil,
  Converter Foil (Insulation Foil, Flexi-pack)

- **Trade Names**

  PAYUNG - Corrugated Sheet
  COMSPAN - Industrial Building Sheet

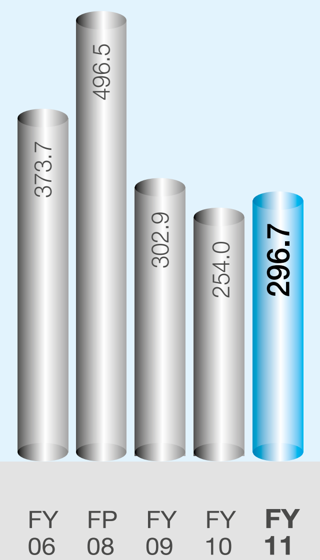
WEBSITE

ALCOM Group: www.alcom.com.my

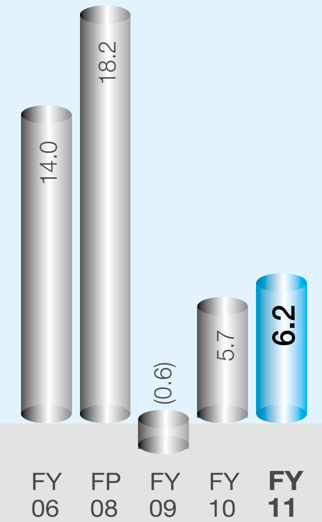
Parent Company: www.novelis.com

FIVE-YEAR SUMMARY

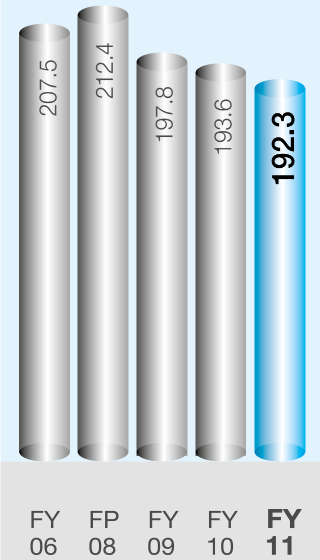
REVENUE
(RM million)



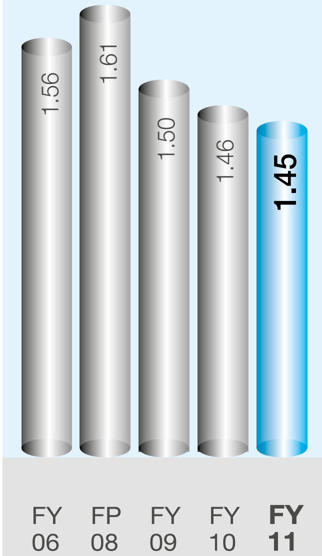
NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS
(RM million)



SHAREHOLDERS' FUNDS
(RM million)



NET TANGIBLE ASSET BACKING PER ORDINARY SHARE
(RM)



GROUP FINANCIAL HIGHLIGHTS	12 months year ended 31.12.2006	15 months period ended 31.03.2008	12 months year ended 31.03.2009	12 months year ended 31.03.2010	12 months year ended 31.03.2011
Revenue and Earnings (RM million)					
Revenue	373.7	496.5	302.9	254.0	**296.7**
Profit/(Loss) from ordinary activities before tax	17.5	24.5	(0.1)	6.8	**8.0**
Provision for taxation					
- Current	(5.7)	(8.1)	(2.3)	(0.5)	**(2.8)**
- Deferred	2.2	1.8	2.6	(0.6)	**1.0**
Net profit/(loss) attributable to shareholders	14.0	18.2	(0.6)	5.7	**6.2**
Balance Sheet Items (RM million)					
Working capital	120.3	130.5	119.8	121.9	**116.1**
Non current assets	105.3	98.4	92.4	86.5	**90.6**
Total borrowings	-	-	-	-	**-**
Shareholders' funds	207.5	212.4	197.8	193.6	**192.3**
Total assets	245.6	263.3	223.6	226.1	**229.8**
Other Statistics:					
Earnings/(Loss) per Ordinary Share (RM)	0.11	0.14	(0.01)	0.04	**0.05**
Ordinary dividends per Share (RM)	0.15	0.13	0.13	0.10	**0.08**
Net tangible asset backing per Ordinary Share (RM)	1.56	1.61	1.50	1.46	**1.45**
Capital expenditure (RM million)	5.1	7.6	5.9	5.4	**12.5**
Net cash from operating activities (RM million)	(0.5)	35.6	31.7	(3.7)	**27.7**
Share prices : Highest (RM)	1.56	1.50	1.13	1.16	**1.04**
: Lowest (RM)	1.32	1.00	0.74	0.77	**0.90**

CHAIRMAN'S STATEMENT
KENYATAAN PENGERUSI

On behalf of the Board of Directors, I would like to present the annual report of the Aluminium Company of Malaysia Berhad for the financial year ended 31 March 2011.

Bagi pihak Lembaga Pengarah, saya ingin membentangkan laporan tahunan Aluminium Company of Malaysia Berhad (ALCOM) bagi tahun kewangan yang berakhir pada 31 Mac, 2011.

GROUP PERFORMANCE

In FY2011, ALCOM increased its shipment volumes by 12% over the previous financial year. This was achieved against the background of demand that had been recovering from the lows of the global economic crisis. Shipment performance was uneven across different market segments. We registered a strong 24% growth in foil segment made up primarily of finstock. However, shipment of sheet products actually declined 12% from the previous year, impacted by the total elimination of import tariffs effective calendar year 2010.

Market conditions that were already challenging were thus beset with additional difficulties in the form of a domestic market that was now fully open to imports. Pricing pressures continued, especially with strong competition from China mills which were able to benefit from lower cost metal in China. The Ringgit also performed extremely well against the US Dollar and other regional currencies, which added to the pricing pressure for our exports.

PRESTASI KUMPULAN

Dalam tahun kewangan 2011, ALCOM telah meningkatkan jumlah penghantarannya sebanyak 12% daripada tahun kewangan sebelumnya. Peningkatan ini dicapai berdasarkan permintaan yang kian memulih dari rentetan krisis ekonomi global. Prestasi penghantaran adalah tidak seimbang di segmen-segmen pasaran yang berlainan. Kami telah mencatatkan pertumbuhan yang kukuh sebanyak 24% di dalam segmen foil yang terdiri terutamanya daripada finstock. Walau bagaimanapun, penghantaran produk-produk sheet sebenarnya telah menyusut sebanyak 12% daripada tahun lepas, akibat daripada penyingkiran sepenuh tarif import yang berkesan pada tahun 2010.

Dengan ini, keadaan pasaran yang sememangnya mencabar dilandakan lagi kesukaran dari segi pasaran tempatan yang kini terbuka sepenuhnya kepada barangan import. Tekanan harga berterusan, terutamanya dengan persaingan yang kuat daripada kilang-kilang di China yang berupaya memperolehi kelebihan melalui harga logam yang lebih rendah di China. Ringgit Malaysia juga berprestasi cermerlang berbanding Dolar Amerika dan matawang-matawang serantau yang lain, menambahkan lagi tekanan harga bagi barangan eksport kami.

CHAIRMAN'S STATEMENT (CONTINUED)
KENYATAAN PENGERUSI (SAMBUNGAN)

Aluminium prices started the financial year at around USD2238/metric ton (mt) and gradually increased to end the year at USD2585/mt. There were pockets of volatility during the year with lows of under USD2000/mt registered. However, the underlying trend of generally strengthening prices confirmed the stronger demand in an improved global economy.

The ALCOM Group registered a consolidated pre-tax profit of RM8.0 million which was an increase of about 18% over the RM6.8 million achieved in the previous year. Profit after tax amounted to RM6.2 million as compared to RM5.6 million in the year before. Asides the improved shipment volumes, the various initiatives for operational efficiencies enabled cost savings and thus growth in the bottom line profits despite the demanding environment.

ALUMINIUM COMPANY OF MALAYSIA BERHAD

ALCOM at the Company level achieved a profit after tax of RM5.4 million as compared to RM5.0 million in the earlier year. The increased profitability was on the back of shipment volumes that increased 5% over the year.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

Coated finstock shipments manufactured by ALCOM's wholly owned subsidiary increased 26% over the previous year. The higher shipment was testimony to the success of various initiatives taken to widen the market reach as well as to retain customer loyalty by seeking to excel in service levels. However, while shipment volumes increased, profitability was affected by the appreciation of the RM against the USD as well as higher paint costs. Consequently a lower net profit after tax of RM0.8 million was registered for the current year as compared to the RM1.1 million in the previous financial year.

FINANCIAL

ALCOM's financial position remained healthy with cash generation from operations exceeding RM27.7 million. Tight working capital management contributed to the strong cash generation. As at the end of the financial year consolidated cash and cash equivalents amounted to RM51.4 million, an increase of RM8.8 million from the RM42.6 million levels registered at the end of the prior year.

Harga aluminium yang bermula pada USD2238/ton metrik (mt) di awal tahun kewangan telah meningkat secara perlahan-lahan dan berakhir pada USD2585/mt di penghujung tahun. Terdapat pula selang-selang ketidakstabilan di dalam tahun ini dengan harga serendah di bawah USD2000/mt dicatat. Walau bagaimanapun, aliran pada asasnya yang memandangkan harga yang kian mengukuh mengesahkan bahawa permintaan telah bertambah kuat di dalam ekonomi global yang semakin pulih.

Kumpulan ALCOM telah mencatat keuntungan terkumpul sebelum cukai sebanyak RM8.0 juta iaitu peningkatan lebih kurang 18% daripada RM6.8 juta yang dicapai pada tahun sebelumnya. Keuntungan selepas cukai berjumlah kepada RM6.2 juta berbanding dengan RM5.6 juta pada tahun lalu. Di samping peningkatan jumlah penghantaran, pelbagai inisiatif untuk meningkatkan kecekapan operasi telah membolehkan penjimatan kos dan seterusnya pertumbuhan pada paras keuntungan walaupun di dalam persekitaran yang mencabar.

ALUMINIUM COMPANY OF MALAYSIA BERHAD

Pada peringkat syarikat, ALCOM mencapai keuntungan selepas cukai sebanyak RM5.4 juta berbanding dengan RM 5.0 juta pada tahun sebelumnya. Peningkatan keuntungan ini adalah berdasarkan jumlah penghantaran yang meningkat sebanyak 5% daripada tahap tahun lalu.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

Penghantaran coated finstock yang dikeluarkan oleh anak syarikat milik penuh ALCOM telah meningkat sebanyak 26% daripada jumlah tahun sebelumnya. Penghantaran yang lebih tinggi ini mengesahkan kejayaan pelbagai inisiatif yang telah diambil untuk meluaskan pasaran serta untuk mengekalkan kesetiaan pelanggan melalui tahap perkhidmatan yang cemerlang. Sungguhpun jumlah penghantaran meningkat, keuntungannya telah terjejas oleh pengukuhan nilai Ringgit Malaysia berbanding Dolar Amerika dan juga kos cat yang lebih tinggi. Akibatnya, keuntungan bersih selepas cukai yang lebih rendah sebanyak RM0.8 juta telah dicatat bagi tahun semasa jika dibandingkandengan RM1.1 juta pada tahun kewangan sebelumnya.

KEWANGAN

Kedudukan kewangan ALCOM tetap sihat dengan aliran tunai daripada operasi yang melebihi RM27.7 juta. Pengurusan modal kerja yang ketat menyumbang kepada penjanaan tunai yang kukuh ini. Pada akhir tahun kewangan, rizab wang tunai terkumpul adalah berjumlah RM51.4juta, iaitu peningkatan sebanyak RM8.8 juta daripada RM42.6 juta yang dicatatkan pada akhir tahun lalu.

CHAIRMAN'S STATEMENT (CONTINUED)
KENYATAAN PENGERUSI (SAMBUNGAN)

During the year an interim dividend of 7.5% less 25% tax was paid. The dividend payment amounted to RM7.4 million.

ECONOMIC AND INDUSTRY TREND DEVELOPMENTS

Global flat rolled product consumption has fully recovered since the collapse in the latter part of calendar year 2009. This was on the back of the global economy which has also strengthened over the period under reviewed. China has been seen as key to this growth thus far, and has been heavily influencing global demand.

Aluminium prices, like many other commodities, have continued to increase into FY2012 reflecting the continued strong demand for the commodity. While there are questions being raised about sustainability and the strength of the recovery in the US, and debt concerns in the European community, the forecast of continued strong and healthy growth in the emerging countries such as China and India are expected to support demand in the year ahead.

The tsunami following the recent earthquake in Japan was an extraordinary event that caused a significant loss of lives and property. The event also had an adverse economic impact not only on Japanese industry but also beyond Japan. Reflecting the global chain relationships existing between operations across the globe, many companies all over the world were affected by the incident because of disruption in supply from Japan as well as the inability to supply to Japan. As Asia's second largest economy as well as significant aluminium consumer, the pace at which Japan takes to recover from the devastation will also strongly influence demand conditions.

PROSPECTS

Looking ahead one of the biggest concerns is the impact of inflation. The mentioned slowdown in production in Japan mentioned did affect the demand for ALCOM's finstock but this is expected to be short-term in nature. Of greater concern has been the inflationary impact arising from the spike in demand for the different material as Japan rebuilds its infrastructure. Prices for timber for instance have moved higher as a direct result. While overall demand remains strong or is growing, the impact of natural disasters such as floods, tornadoes, or even manmade disruptions such as political unrests have all come together to reduce whatever supply available and consequently cause price increases. Crude oil price for example has been hovering above the USD100 mark, the knock on impact on the price of materials such as paint, chemicals amongst others.

Semasa tahun ini, dividen interim sebanyak 7.5% ditolak cukai 25% telah dibayar. Jumlah pembayaran dividen adalah sebanyak RM7.4 juta.

PERKEMBANGAN EKONOMI DAN ALIRAN INDUSTRI

Penggunaan global barangan 'flat rolled' telah pulih sepenuhnya sejak keruntuhannya pada akhir tahun 2009. Ini adalah berdasarkan ekonomi global yang juga telah mengukuh sepanjang tempoh tinjauan tersebut. China telah dilihat sebagai kunci utama kepada pertumbuhan ini dan telah banyak mempengaruhi permintaan global setakat ini.

Harga aluminium, sepertimana komoditi-komoditi lain, terus meningkat sehingga tahun kewangan 2012 mencerminkan permintaan kuat yang berterusan terhadap komoditi tersebut. Walaupun adanya persoalan-persoalan yang bangkit mengenai kamampanan dan kekuatan pemulihan di US, serta kebimbangan krisis hutang di komuniti Eropah, ramalan bahawa pertumbuhan akan tetap kuat dan sihat di negara-negara membangun seperti China dan India dijangka akan menyokong permintaan terhadap aluminium pada tahun hadapan.

Kejadian tsunami ekoran gempa bumi di Jepun baru baru ini adalah satu kejadian luarbiasa yang telah mengakibatkan kehilangan yang besar kepada nyawa dan harta-benda. Kejadian tersebut juga mempunyai kesan yang negatif dari segi ekonomi bukan sahaja terdadap industri Jepun tetapi industri-industri di luar Jepun. Memandangkan perhubungan rangkaian global yang wujud di antara operasi-operasi di dunia ini, banyak syarikat di seluruh dunia telah dipengaruhi oleh peristiwa tersebut kerana gangguan ke atas bekalan dari Jepun serta kerumitan untuk membekal ke negara tersebut. Sebagai ekonomi kedua terbesar di Asia dan juga pengguna aluminium yang utama, kadar Jepun mangambil untuk memulih daripada bencana itu juga akan menpengaruhi keadaan permintaan secara besar-besaran.

PROSPEK

Salah satu kebimbangan yang paling besar pada masa hadapan ialah kesan inflasi. Kelembapan pengeluaran di Jepun yang disebut tadi memang mempunyai kesan terhadap permintaan finstock dari ALCOM tetapi ini diramalkan hanya untuk jangka masa pendek sahaja. Yang lebih membimbangkan ialah kesan inflasi yang akan timbul daripada kenaikan permintaan terhadap bahan yang berbeza apabila Jepun membina semula infrastrukturnya. Misalnya harga untuk kayu-kayan telah naik secara mendadak hasil daripada akibat tersebut. Walaupun permintaan pada keseluruhannya tetap teguh ataupun sedang berkembang, kesan daripada bencana alam seperti banjir, puting beliung atau kejadian

CHAIRMAN'S STATEMENT (CONTINUED)
KENYATAAN PENGERUSI (SAMBUNGAN)

On a more local level, the Malaysian Ringgit has been strengthening against the USD. Given that the ALCOM Group exported 66% of its shipments in FY2011 the net realization will be lower, even if the price that is denoted in USD has not been reduced. In addition the effective June 1, 2011 domestic cost of both electricity and natural gas was increased. It was also announced that the natural gas price is to be adjusted every six months.

The outlook for FY2012 therefore remains challenging. Nevertheless, comfort can be gained from the fact that despite changes such as tariff reduction, influx of cheap imports, and the appreciation of the Malaysian Ringgit since the lifting of the peg, ALCOM has managed to hold its own and continued to remain profitable. In the new financial year, as we announced earlier, we are investing USD5.2 million in finishing equipment which will strengthen ALCOM's quality levels and also allow for a possible widening of product range. As in the past, the Group will work towards creating opportunities out of the challenges arising so as to derive maximum benefit and create maximum value for all our stakeholders in the current fiscal year.

ACKNOWLEDGEMENT

The past year was a significant one for the ALCOM Group as it marked 50 years since ALCOM's incorporation. ALCOM's history of 5 decades has seen the Group go through both good times as well as challenging times. Beginning in an era where tariff protection was the norm, in calendar year 2010 all remaining tariffs for ALCOM's products were reduced and with that ALCOM now operates in a tariff free market.

It was at milestones such as the 50th anniversary mentioned that we reminisce about the past. I would like to acknowledge the contributions of those before us as well as those with us now without whom ALCOM could not be where it is today. On behalf of the Board, I take pleasure and pride in recording our gratitude to all our stakeholders, beginning with our employees, shareholders, our customers, suppliers, bankers and the government authorities including regulatory authorities. I look forward to your continued excellent support in the coming years.

yang dicetuskan oleh manusia seperti pergolakan politik semuanya akan mengurangkan bekalan yang sedia ada dan seterusnya mengakibatkan harga melonjak naik. Contohnya harga minyak mentah telah berlegar di atas paras USD100 dan memberi kesanke atas harga barangan seperti cat, bahan kimia antaranya.

Pada peringkat tempatan pula, Ringgit Malaysia semakin teguh berbanding Dolar Amerika. Memandangkan kumpulan ALCOM mengeksport 66% daripada penghantarannya dalam tahun kewangan 2011 perolehan bersih adalah lebih rendah walaupun harganya dalam dolar Amerika tidak berkurangan. Tambahan pula mulai 1 Jun 2011, harga tempatan bagi kedua-dua eletrik dan gas asli telah meningkat. Ia juga diumumkan bahawa harga gas asli akan diselaraskan setiap 6 bulan.

Oleh sebab itu pandangan untuk tahun kewangan 2012 tetap mencabar. Walau bagaimanpun, kami boleh mendapat kelesaan bahawa sungguhpun terdapatnya perubahan-perubahan seperti pengurangan tarif, kemasukan barangan import yang murah, dan pengukuhan Ringgit Malaysia sejak penetapan nilainya dihapuskan, ALCOM telah berjaya menguruskan secara tersendiri dan kekal mencatatkan keuntungan. Di tahun kewangan yang baru, seperti yang diumumkan sebelum ini, kami akan melabur sebanyak USD5.2 juta dalam peralatan lengkap yang akan meningkatkan tahap kualiti ALCOM serta membenarkan kemungkinan melebarkan rangkaian produknya. Seperti dulu, Kumpulan Alcom akan berusaha untuk mewujudkan peluang daripada cabaran-cabaran yang bakal timbul demi menghasilkan manfaat sepenuh dan mencipta nilai maximum kepada semua pihak yang berkepentingan dalam tahun kewangan semasa.

PENGHARAGAAN

Tahun lepas adalah penting bagi Kumpulan ALCOM kerana ia menandakan 50 tahun sejak ALCOM ditubuhkan. Sejarah ALCOM selama 5 dekad telah menyaksikan Kumpulan ini mengharungi kedua-dua masa gemilang dan juga masa yang mencabar. Bermula dengan era di mana perlindungan tarif adalah kebiasaan, pada tahun 2010 semua tarif yang ada bagi produk-produk ALCOM telah berkurangan dan dengan ini ALCOM sekarang beroperasi di dalam pasaran bebas tarif.

Semasa mercu tanda seperti ulang tahun ke-50 yang disebut inilah kami mengimbas kembali masa lalu. Saya ingin memberi pengakuan terhadap sumbangan mereka yang sebelum kami serta mereka yang bersama kami sekarang yang tanpa mereka ALCOM tidak akan berada di tahap ia berada sekarang. Bagi pihak Lembaga, saya dengan sukacitanya dan bangganya ingin merakamkan penghargaan kami kepada semua pihak, bermula dengan pekerja-pekerja kami, pemegang-pemegang saham, pelanggan-pelanggan kami, pembekal-pembekal, pihak bank dan pihak berkuasa

CHAIRMAN'S STATEMENT (CONTINUED)
KENYATAAN PENGERUSI (SAMBUNGAN)

Mr. Tan See Ping who has been Managing Director since 2006 has decided to leave ALCOM to pursue his personal interests. His tenure saw ALCOM register record shipments and profits before the onset of the global crisis. His success in using various operational initiatives to deal with the brutal pricing pressures in an open market allowed ALCOM to register continued profitability in a very tough market environment. These efforts have greatly strengthened our competitive position. It was also during his tenure that ALCOM won the prestigious Prime Minister's Award for Industry Excellence, the Institute of Corporate Responsibility Award for the best workplace and many supplier awards. Last year, ALCOM was also a top 3 finalist at the Institute of Corporate Responsibility Awards for the Environment category. The Board joins me in thanking Mr. Tan See Ping and wishing him well in all his future endeavours.

The Board also congratulates Mr. Sachin Satpute who has taken over as Managing Director. Sachin has been on the ALCOM Board since May 2009. He has impressive credentials with considerable experience in the aluminium business. We believe that he will emulate his predecessor and oversee ALCOM to achieve continued success.

I also would like to acknowledge the Board's appreciation to our immediate holding company Novelis Inc. The support of the parent company who is known to be a highly focused, highly efficient, world-class manufacturer is of immense help to the Group.

Finally, I would also like to sincerely thank all my fellow directors for their valuable counsel and support in the past year.

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

15 JULY 2011

kerajaan termasuk yang menguatkan undang-undang. Saya mengharapkan sokongan berterusan kamu yang cemerlang ini di tahun-tahun yang akan datang.

En. Tan See Ping yang memegang jawatan sebagai Pengarah Urusan sejak tahun 2006 telah membuat keputusan meninggalkan ALCOM untuk meneruskan minat peribadi beliau. Semasa pentadbiran beliau ALCOM telah mencatatkan rekod dalam penghantaran dan keuntungan sebelum bermulanya krisis global. Kejayaan beliau menggunakan pelbagai inisiatif operasi untuk menangani tekanan harga yang melampau di pasaran terbuka membolehkan ALCOM terus mencatatkan keuntungan di dalam persekitaran pasaran yang sangat mencabar. Usaha-usaha tersebut telah mengukuhkan kedudukan kami untuk bertanding. Semasa pentadbiran beliau jugalah ALCOM memenangi Anugerah Perdana Menteri untuk Kecemerlangan Industri, Anugerah Tanggungjawab Korporat untuk tempat kerja terbaik dan banyak lagi anugerah dari pembekal-pembekal. Tahun lepas, ALCOM juga adalah di antara 3 calon yang terpilih di Anugerah Institut Tanggungjawab Korporat bagi kategori Alam Sekitar. Saya bersama-sama Pihak Lembaga ingin berterima kasih kepada En. Tan See Ping dan mengucapkan selamat maju jaya di dalam semua kerjaya beliau pada masa hadapan.

Pihak Lembaga juga ingin mengucapkan tahniah kepada En. Sachin Satpute yang mengambil alih jawatan Pengarah Urusan. Sachin telah menyertai Lembaga ALCOM sejak Mei 2009. Beliau memikili kelayakan yang mengkagumkan dengan pengalaman yang luas di bidang perniagaan aluminium. Seperti pemimpin sebelumnya, kami percaya beliau akan menerajui ALCOM untuk mencapai kejayaan yang berterusan.

Saya juga ingin merakamkan penghargaan pihak Lembaga kepada syarikat berkanun Novelis Inc. Sokongan daripada syarikat induk yang memang dikenali sebagai pengilang bertaraf dunia yang sangat bertumpu dan berkesan telah memberi pertolongan yang sangat besar kepada pihak Kumpulan.

Akhir sekali, dengan ikhlasnya saya ingin berterima kasih kepada semua teman pengarah atas nasihat yang bernilai dan sokongan mereka pada tahun lepas.

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

15 JULAI 2011

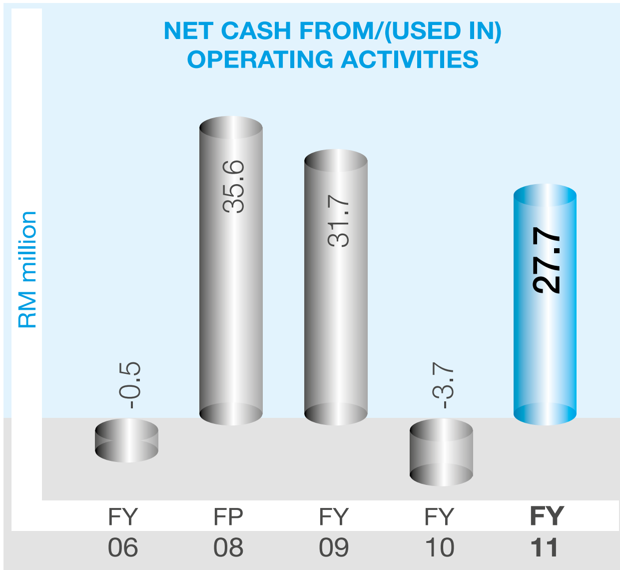
MANAGING DIRECTOR'S REVIEW

In FY2011, ALCOM continued facing a difficult marketplace despite an improvement in the overall demand for aluminium. From January 2010, the Malaysian market effectively became an open market for aluminium rolled products, with the elimination of all import tariffs within the ASEAN-China free trade area. This added significantly to downward pressure on prices. The problem was further compounded by fierce competition from Chinese manufacturers who benefited from significantly lower cost metal in China.

ALCOM was nonetheless able to increase shipment volumes. The growth in shipment was on the back of initiatives taken to widen the market breadth by developing new customers and markets. We also worked to increase our share in selected customers by improving our supply performance and enhancing service levels to win orders despite a relatively higher price.

Shipments increased 12% over the previous year with exports constituting some 66%. With all our physical export sales quoted in USD and our domestic prices affected by competitors quoting in USD, we were negatively impacted by the significant appreciation of the Malaysian Ringgit. Nevertheless, higher shipment volumes coupled with improved mix and continued operational improvements helped the Group to register an 8% increase in profit after tax from RM5.7 million to RM6.2 million. The improvement trend was also reflected in the significant increase in profitability registered for the last quarter of the financial year.

The company generated RM27.7 million cash from operations during the year basically on account of improvements made to working capital levels. Despite higher shipment volumes, working capital was reduced by RM5.8 million during the year.



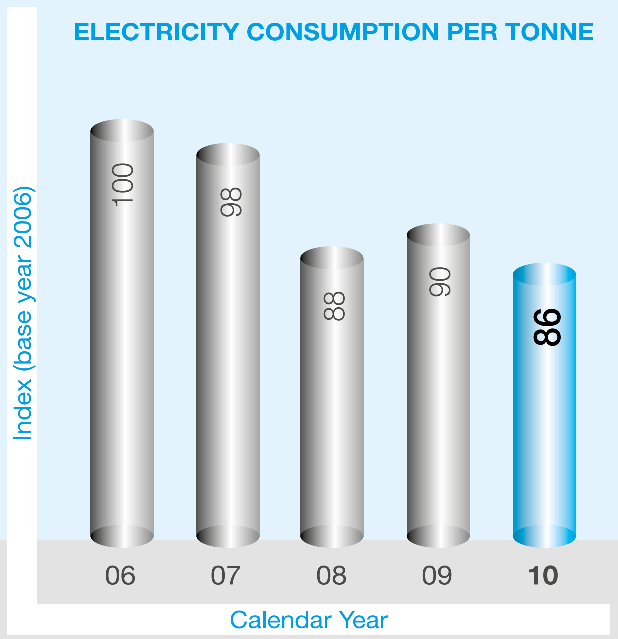
OPERATIONS

In view of the significant market challenges, much of which was outside our control, it became more important than ever for us to focus on operational improvement and mix optimization to reduce costs while minimizing the adverse market impact on revenues. We continued to emphasize the use of structured problem-solving methodology such as Lean Six Sigma, Total Productive Maintenance and EHSQ First to help us prioritize and deliver quality, productivity and cost improvements in all areas of the business. New records were achieved for caster output, which placed us as the productivity benchmark even within the worldwide Novelis Group. Our customer returns were reduced by another 35% this year, following a 39% reduction last year.

Workshop to enhance customer service.

MANAGING DIRECTOR'S REVIEW (CONTINUED)

We were also successful in reducing electricity and natural gas consumption consumed per processed tonne by approximately 5%.



As in previous years, we were honoured with a number of accolades from customers and independent organizations.

Valued recognition from esteemed customer.

For the second year in a row, ALCOM was shortlisted as one of the twenty finalists in the StarBiz-ICR Malaysian Corporate Responsibility Award. In the previous year, we had emerged winner in the Workplace category. This year, we emerged a top three winner in the Environment category.

Finalist in the Environmental Category – StarBiz-ICR Malaysian Corporate Responsibility Award 2010
Picture by courtesy of Star Publication (M) Bhd

Coming as it did, on the heel of prestigious awards in previous years, such the Prime Minister's Industry Excellence Award and numerous supplier awards, these awards lend testimony to the strength of the various systems at ALCOM. The diligence and dedication of the ALCOM employees to maintaining and enhancing these systems has enabled ALCOM to stay competitive in an extremely challenging market.

Training to prepare our employees for challenges arising.

MANAGING DIRECTOR'S REVIEW (CONTINUED)

CORPORATE RESPONSIBILITY

ALCOM has long recognized the importance of sustainability as a critical part of our overall business strategy and direction. It has therefore sought to integrate sustainability into its business culture by paying attention to the impact of its products and processes on the environment, the health and safety of its employees and our communities.

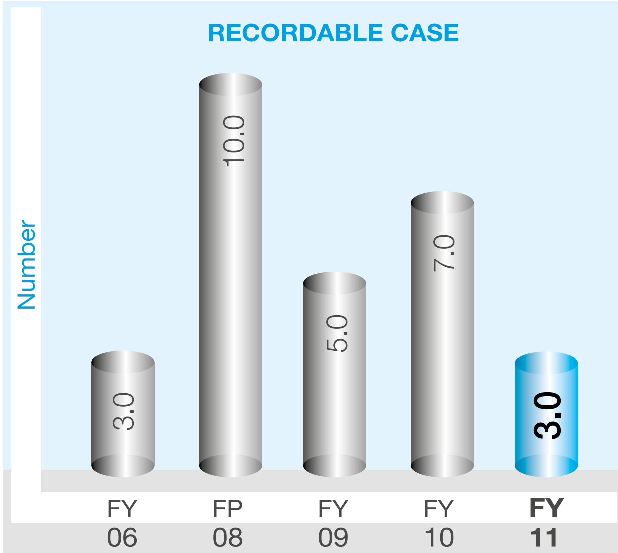
Engaging orphanages in our community.

Our parent company, Novelis Inc., the world leader in aluminum rolling and beverage can recycling, in May 2011 announced a corporate-wide commitment to significantly reduce its carbon footprint as well as those of its customers. The new sustainability commitment calls for an intensified focus on expanding the use of recycled materials, increasing post-consumer recycling of aluminum products, and accelerating the development of new, high-recycled content alloys.

ALCOM will leverage on the parent's company's significant experience and focus in this area to enhance its own sustainability efforts.

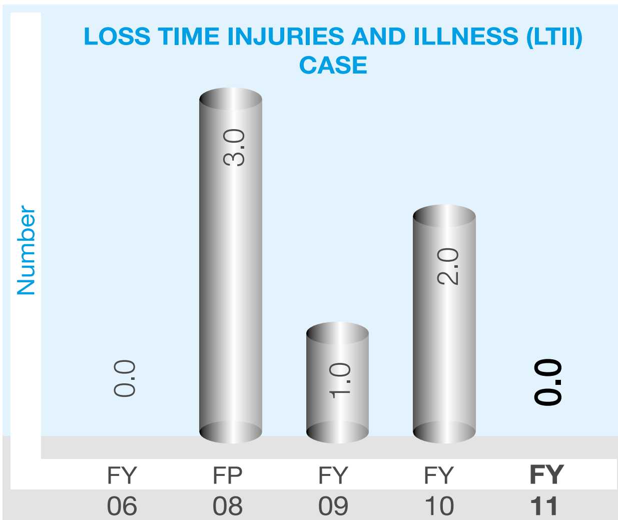
Workplace and Environment

In the workplace, ALCOM's safety performance improved over the year with the number of recordable incidents reduced from 7 to 3.



In all three incidents, the nature of injury was relatively minor. Nonetheless, we have conducted thorough investigations into these cases and implemented preventive measures to prevent recurrence. In particular, we have stepped up training for new employees as our analysis indicates a significantly higher risk of accidents with new employees. We have also stepped up our focus on Behavioural Based Safety (BBS) as the key for inculcating safe working practices and behaviours at all levels and all times. BBS is the "application of science of behavior change to real world problems". BBS focuses on what people do, analyzes why they do it, and then applies a research-supported intervention strategy to improve what people do.

On January 24, 2011, ALCOM marked a significant milestone when the plant recorded 1 million hours without any Lost Time Injuries and Illness (LTII). This is a commendable milestone which we last achieved in 2007.



MANAGING DIRECTOR'S REVIEW (CONTINUED)

Celebrating our achievement of 1 million hours Lost Time Injuries and Illness (LTII) free.

We are now setting our sights on achieving 2 million hours Lost Time Injuries and Illness (LTII) free.

Committing ourselves towards our next target of 2 million hours Lost Time Injuries and Illness (LTII) free.

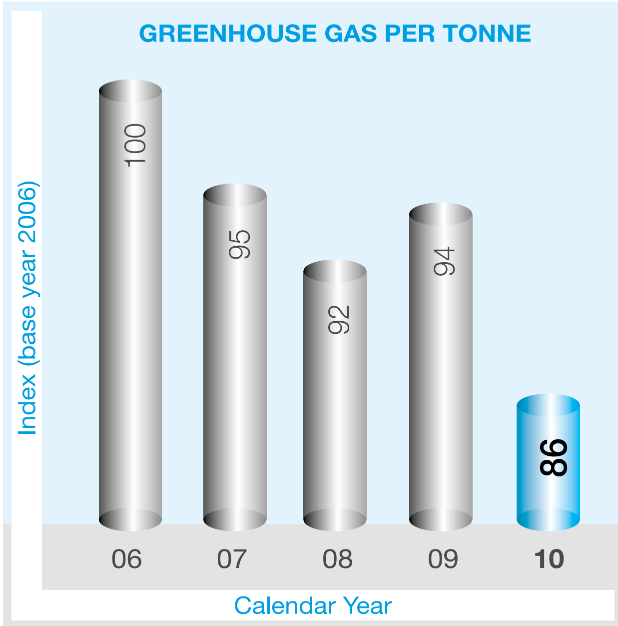
During the year, we also strengthened our efforts to monitor and improve industrial hygiene by targeting 100% achievement of Novelis Occupation Exposure Levels (NOEL). This objectives set under this initiative are expected to be achieved in FY2012.

We have also proactively worked on improving employee health by ensuring all employees undergo a medical examination supervised by our panel doctors. The scope of the medical examination was customized to job specifics. As usual, the results were compared with previous findings and used by our in-house clinic, supported by our doctors, to monitor and provide counseling, especially in relation to lifestyle changes and medication schedules.

Market Place & Community

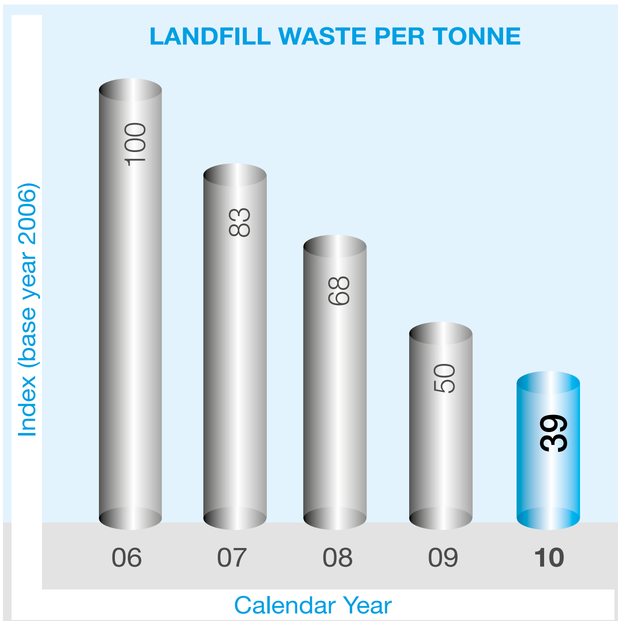
ALCOM continues to work on increasing its usage of scrap in its operations. As compared to the previous year, total scrap recycled in our facility increased from 41% to 46 %. The recycling of scrap is an activity that conserves energy usage as recycling aluminium uses only 5% of the energy required for virgin production.

ALCOM's increased use of scrap contributes to the community at large by way of reduced energy consumption and greenhouse gas emissions.



As in the past years, this objective is achieved through scrap recycling partnerships with customers as well as procuring scrap from the market.

Landfill waste generation had been reduced by 50% over three years to 2.26kg/tonne in FY2010. The rate was further reduced in FY2011 to 1.93kg/tonne. Total waste generation was brought down very marginally from 27.93 kg/tonne in the prior year to 27.39 kg/tonne.



MANAGING DIRECTOR'S REVIEW (CONTINUED)

With our emphasis on recycling all generated waste, the proportion of waste recycled has increased significantly from 61% in 2006 to 91% in FY2011.

Replacement of solvent based paints with water based paints has been another area of focus. Solvent based paints in 2006 constituted 38% of the mix but this proportion has been reduced and in the last financial year made up only 11% of the mix.

ALCOM in now into the 12th year of the micro business project that it runs in several schools in the Klang valley. This scheme helps inculcate the spirit of entrepreneurship in our youth besides educating our young children on the possibilities and benefits of recycling. The company also organized blood donation campaign with the help of the Hospital Besar Tengku Ampuan Rahimah, Klang participated by ALCOM employees.

Volunteerism – participating in blood donation campaign.

The Yayasan Kecemerlangan Sukan Malaysia (SportExcel) encourages young and growing talent in sports in the country by extending financial help to those eligible. ALCOM continues its relationship as a founding member of the foundation as it gets much satisfaction on helping young Malaysians grow and excel in sports.

LOOKING AHEAD/OUTLOOK

Overall global market sentiment remains positive although in the recent months some concerns have caused earlier growth forecasts to be reduced slightly. Inflation is now a common concern all over. Cost increases are increasingly being announced on the back of oil prices that has been trending higher. In Malaysia, energy prices have already been increased effective June 1st 2011. The government has also announced an aggressive schedule to increase natural gas prices over time, which is also likely to translate into higher electricity prices. In addition to the cost pressures, the strengthening of the RM against the USD remains another challenge to be managed for businesses such as ALCOM which has significant export revenues in a highly competitive market.

Recent events such as earthquakes, floods, tsunamis, have created considerable disruption to normal economic activities and inflationary pressures are increasingly felt all over. The ability to pass through the cost increase is subject to the actions taken by competitor suppliers, some of whom still enjoy structural cost advantages in their country of operations. The tsunami has also impacted supply of parts for a number of industries. As our customer base comprises many Japanese multinationals, we have also seen adverse impact on demand since May. While working to substitute any slack in demand from some of our affected customers, we are also monitoring the situation for any extraordinary pick-up as production returns to normalcy in Japan.

Towards the end of this calendar year, ALCOM will commission some new finishing equipment which is now being fabricated. This equipment will enable ALCOM to further enhance its quality levels and expand its product portfolio. This will be in addition to ongoing efforts to grow the markets for our current product range. We will also continue to emphasize operational excellence and mix optimization in our quest to be competitive. Thus, in the drive for new market space the focus will be on the market segments for the higher value added products. In this context we will strive to increase the proportion of coated finstock in the sales mix. In the area of costs, where we have made significant progress, in the light of energy tariff hikes, we will sustain our continuous improvement initiatives to further reduce energy consumption and improve operating efficiencies.

These efforts, along with several other ongoing initiatives are expected to help ALCOM meet and tide over the challenges arising and to help it to maintain if not grow its profitability in the year ahead.

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 2011.

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 14 to the financial statements.

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

FINANCIAL RESULTS

	Group	Company
	RM'000	RM'000
Net profit for the financial year	6,150	5,385

DIVIDENDS

The dividends paid by the Company since 31 March 2010 were as follows:

	RM'000
In respect of the financial year ended 31 March 2011	
- interim dividend of 7.5%, less 25% taxation, paid on 23 August 2010	7,439

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2011.

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 did not effect any share buyback. Details of the treasury shares purchased in previous years and held by the Company as at 31 March 2011 are set out in Note 26 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The Directors who have held office during the 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
Thomas L Walpole
Sachin Yeshawant Satpute (Appointed as Managing Director with effect from 1 April 2011)
Tan See Ping (Re-designated as Advisor with effect from 1 April 2011)

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

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial 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 1.4.2010	**Purchased**	**Sold**	**At 31.3.2011**
Tan See Ping	70,000	-	-	70,000
Y.M. Tengku Yunus Kamaruddin	114,500	-	-	114,500

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and 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.

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.

DIRECTORS' REPORT (CONTINUED)

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 26 May 2011.

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

TAN SEE PING

Director

Bukit Raja, Klang

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Note	Group 2011 RM'000	Group Restated 2010* RM'000
Revenue	4	296,666	254,011
Other operating income	5	999	1,241
Changes in inventories of raw materials, work-in-progress and finished goods		(1,440)	5,974
Raw materials and consumables used		(225,662)	(191,639)
Staff costs	7	(23,716)	(21,205)
Utilities and fuel		(14,298)	(13,334)
Depreciation of property, plant and equipment		(11,431)	(11,673)
Upkeep, repairs and maintenance of assets		(6,309)	(5,757)
Environmental costs		(675)	(1,554)
Allowance for inventory writedown		(160)	(917)
Technical fees		(361)	(399)
Other operating expenses		(5,282)	(7,580)
Profit from operations	6	8,331	7,168
Finance cost	9	(352)	(383)
Profit before tax		7,979	6,785
Tax expense	10	(1,829)	(1,096)
Profit for the financial year		6,150	5,689
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		6,150	5,689
Attributable to:			
Shareholders of the Company		6,150	5,689
Earnings per share			
- basic	11(a)	4.7 sen	4.3 sen
- diluted	11(b)	4.7 sen	4.3 sen
Dividends per share	12	7.5 sen	10.0 sen

* Comparatives have been restated to reflect the adoption of improvements to FRS117 effective from 1 April 2010 relating to the classification of leases of land.

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Note	Company 2011 RM'000	Company Restated 2010* RM'000
Revenue	4	287,367	242,103
Other operating income	5	1,153	1,472
Changes in inventories of raw materials, work-in-progress and finished goods		(825)	7,795
Raw materials and consumables used		(226,919)	(193,633)
Staff costs	7	(20,987)	(18,781)
Utilities and fuel		(12,720)	(11,773)
Depreciation of property, plant and equipment		(9,829)	(10,059)
Upkeep, repairs and maintenance of assets		(5,306)	(4,750)
Environmental costs		(463)	(1,331)
Allowance for inventory writedown		(469)	(638)
Technical fees		(199)	(228)
Other operating expenses		(3,393)	(3,887)
Profit from operations	6	7,410	6,290
Finance cost	9	(279)	(306)
Profit before tax		7,131	5,984
Tax expense	10	(1,746)	(959)
Profit for the financial year		5,385	5,025
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		5,385	5,025

* Comparatives have been restated to reflect the adoption of improvements to FRS117 effective from 1 April 2010 relating to the classification of leases of land.

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	Note	Group			Company		
			Restated	Restated		Restated	Restated
	Note	31.03.2011	31.03.2010*	1.4.2009*	31.03.2011	31.03.2010*	1.4.2009*
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS							
Property, plant and equipment	13	90,578	86,477	92,388	79,187	74,274	78,823
Subsidiaries	14	-	-	-	26,860	26,860	26,860
		90,578	86,477	92,388	106,047	101,134	105,683
CURRENT ASSETS							
Inventories	15	51,629	52,704	47,553	44,722	45,596	37,848
Trade receivables	16	34,373	35,561	19,089	19,210	21,094	8,382
Amount due from related companies	17	252	-	-	21,991	17,774	11,036
Other receivables and prepayments	18	986	5,374	805	907	5,323	732
Tax recoverable		449	3,442	3,197	-	2,989	2,855
Derivative financial instruments	19	197	-	-	66	-	-
Cash and bank balances	20	51,365	42,568	60,614	23,929	21,238	47,139
		139,251	139,649	131,258	110,825	114,014	107,992
CURRENT LIABILITIES							
Trade payables	21	15,984	14,274	8,242	12,361	12,099	6,687
Other payables and accruals	22	6,390	3,232	3,172	6,169	3,044	3,029
Amount due to related companies	23	14	225	27	1,214	1,180	638
Provision for taxation		758	-	-	758	-	-
		23,146	17,731	11,441	20,502	16,323	10,354
NET CURRENT ASSETS		116,105	121,918	119,817	90,323	97,691	97,638
NON-CURRENT LIABILITIES							
Provision for retirement benefits	24	5,707	5,132	5,329	5,289	4,759	4,999
Deferred taxation	25	8,672	9,675	9,058	6,321	7,257	6,619
		14,379	14,807	14,387	11,610	12,016	11,618
		192,304	193,588	197,818	184,760	186,809	191,703

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2011

		Group			Company		
			Restated	Restated		Restated	Restated
	Note	31.03.2011	31.03.2010*	1.4.2009*	31.03.2011	31.03.2010*	1.4.2009*
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CAPITAL AND RESERVES							
Share capital	26	134,331	134,331	134,331	134,331	134,331	134,331
Share premium		4,112	4,112	4,112	4,112	4,112	4,112
Revaluation and other reserves	27	2,138	2,138	2,138	6,170	6,170	6,170
Revenue reserve	28	51,723	53,007	57,237	40,147	42,196	47,090
Total equity		192,304	193,588	197,818	184,760	186,809	191,703
Net tangible assets per ordinary share		RM1.45	RM1.46	RM1.50			

* Comparativess have been restated to reflect the adoption of improvements to FRS117 effective from 1 April 2010 relating to the classification of leases of land.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

		Attributable to shareholders of the Company					
		Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
	Note	No. of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Revenue reserve RM'000	Total RM'000
At 1 April 2010							
- as previously reported		134,331	134,331	4,112	2,138	53,007	193,588
- effects of adopting FRS 139	1B(c)	-	-	-	-	5	5
- as restated		134,331	134,331	4,112	2,138	53,012	193,593
Total comprehensive income for the financial year		-	-	-	-	6,150	6,150
Dividends for the financial year ended: - 31 March 2011 (paid)	13	-	-	-	-	(7,439)	(7,439)
At 31 March 2011		134,331	134,331	4,112	2,138	51,723	192,304
At 1 April 2009		134,331	134,331	4,112	2,138	57,237	197,818
Total comprehensive income for the financial year		-	-	-	-	5,689	5,689
Dividends for the financial year ended: - 31 March 2010 (paid)	12	-	-	-	-	(9,919)	(9,919)
At 31 March 2010		134,331	134,331	4,112	2,138	53,007	193,588

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	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 2010							
- as previously reported		134,331	134,331	4,112	6,170	42,196	186,809
- effects of adopting FRS 139	1B(c)	-	-	-	-	5	5
- as restated		134,331	134,331	4,112	6,170	42,201	186,814
Total comprehensive income for the financial year		-	-	-	-	5,385	5,385
Dividends for the financial year ended:							
- 31 March 2011 (paid)	12	-	-	-	-	(7,439)	(7,439)
At 31 March 2011		134,331	134,331	4,112	6,170	40,147	184,760
At 1 April 2009		134,331	134,331	4,112	6,170	47,090	191,703
Total comprehensive income for the financial year		-	-	-	-	5,025	5,025
Dividends for the financial year ended:							
- 31 March 2010 (paid)	12	-	-	-	-	(9,919)	(9,919)
At 31 March 2010		134,331	134,331	4,112	6,170	42,196	186,809

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		6,150	5,689	5,385	5,025
Adjustments for:					
Net fair value gain of currency forwards		(197)	-	(66)	-
Property, plant and equipment					
- depreciation		11,431	11,673	9,829	10,059
- gain on disposal		(26)	(4)	(9)	(3)
Interest income		(913)	(872)	(487)	(590)
Provision for retirement benefits		725	763	680	720
Allowance for inventory obsolescence		160	917	469	638
Unrealised foreign exchange loss		150	698	52	236
Tax expense		1,829	1,096	1,746	959
Operating profit before working capital changes		19,309	19,960	17,599	17,044
Decrease/(increase) in working capital:					
Inventories		915	(6,068)	405	(8,386)
Receivables		5,426	(21,857)	6,248	(17,652)
Payables		2,530	5,452	1,035	4,815
Balances with related companies		(462)	198	(4,183)	(6,196)
Cash from operations		27,718	(2,315)	21,104	(10,375)
Refund of tax		3,209	-	3,209	-
Tax paid		(2,290)	(724)	(2,144)	(455)
Payment of retirement benefits		(914)	(613)	(914)	(613)
Net cash from/ (used in) operating activities		27,723	(3,652)	21,255	(11,443)

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- purchases		(12,518)	(5,372)	(11,715)	(5,149)
- proceeds from disposal		121	6	105	5
Interest income received		910	891	485	605
Net cash used in investing activities		(11,487)	(4,475)	(11,125)	(4,539)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of dividends to shareholders		(7,439)	(9,919)	(7,439)	(9,919)
Net cash used in financing activities		(7,439)	(9,919)	(7,439)	(9,919)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		8,797	(18,046)	2,691	(25,901)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		42,568	60,614	21,238	47,139
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	20	51,365	42,568	23,929	21,238

NON-CASH TRANSACTION

The principal non-cash transaction during the financial year is the acqusition of plant and equipment by the Group and the Company of which RM4,782,000 (2010: RM1,673,000) and RM4,716,000 (2010: RM1,593,000) respectively remain payable as at the end of the financial year.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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 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 follows:

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 1C(ii). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Adoption of New Financial Reporting Standards

Accounting policies adopted by the Group have been applied consistently in dealing with items that are considered material in relation to the financial statements.

The Group has applied the following new standards, amendments to standards and interpretations from financial periods beginning 1 April 2010:

(i) Standards, amendments and improvements to published standards, and interpretations to existing standards that are applicable to the Group and are effective

- FRS 7 Financial Instruments: Disclosures and the related Amendments
- FRS 8 Operating Segments
- FRS 101 (revised) Presentation of Financial Statements and the related Amendments
- FRS 139 Financial Instruments: Recognition and Measurement and the related Amendments
- Amendment to FRS 127 Consolidated and Separate Financial Statements
- Amendments to FRS 132 Financial Instruments: Presentation
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Improvements to FRSs (2009)

The adoption of these standards, amendments and improvements to published standards and interpretations to existing standards do not have a material impact on the financial information of the Group except for the adoption of the following standards as set out below:

(a) Presentation of financial statements (FRS 101 Revised "Presentation of Financial Statements")

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income as a single statement.

There is no impact on the results of the Group since these changes affect only the presentation of items of income and expenses. Where entities restate or reclassify comparative information, they will be required to present restated statements of financial position as at the beginning comparative period in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Adoption of New Financial Reporting Standards (continued)

(i) Standards, amendments and improvements to published standards, and interpretations to existing standards that are applicable to the Group and are effective (continued)

(b) Leasehold land (Amendment to FRS 117 "Leases")

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease and has been reclassified from prepaid lease rentals to property, plant and equipment accordingly. The reclassification has been accounted for retrospectively in accordance with the transitional provision and comparatives have been restated as follows:

	As previously stated RM'000	Effects of adopting FRS 117 RM'000	As restated RM'000
Balance as at 31 March 2010			
Group			
Property, plant and equipment	71,661	14,816	86,477
Prepaid lease rentals	14,816	(14,816)	-
Company			
Property, plant and equipment	59,458	14,816	74,274
Prepaid lease rentals	14,816	(14,816)	-
Balance as at 31 March 2009			
Group			
Property, plant and equipment	77,383	15,005	92,388
Prepaid lease rentals	15,005	(15,005)	-
Company			
Property, plant and equipment	63,818	15,005	78,823
Prepaid lease rentals	15,005	(15,005)	-

The above changes have been applied retrospectively and 2010 and 2009 comparatives and relevant notes have been restated accordingly. Except for the above changes, other 2010 and 2009 comparatives remains the same.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Adoption of New Financial Reporting Standards (continued)

(i) Standards, amendments and improvements to published standards, and interpretations to existing standards that are applicable to the Group and are effective (continued)

(c) Financial assets and liabilities (FRS 139 "Financial instruments: Recognition and Measurement")

The Group classifies its financial assets and liabilities depending on the nature of the asset/liability and the purpose for which the asset/liability was acquired. Management determines the classification of its financial asset/liability at initial recognition.

Prior to 1 April 2010, derivative financial instruments were not recognised in the financial statements. With the adoption of FRS 139, derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the statements of comprehensive income at each reporting date.

The Group has restated the financial statements in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financial assets and financial liabilities as at 1 April 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained earnings. Comparatives are not restated. The effects of the changes are disclosed as follows:

	As previously stated RM'000	Effects of adopting FRS 139 RM'000	As restated RM'000
Group			
Balance as at 1 April 2010			
Derivative financial instruments	-	(5)	(5)
Retained earnings	53,007	5	53,012
Company			
Balance as at 1 April 2010			
Derivative financial instruments	-	(5)	(5)
Retained earnings	42,196	5	42,201

	Increase/(decrease) Effects of adopting FRS 139	
	Group RM'000	Company RM'000
Balance as at 31 March 2011		
Current assets		
- Derivative financial instruments: currency forwards	197	66
For the year ended 31 March 2011		
Other operating expenses		
- Fair value gain of currency forwards	(197)	(66)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Adoption of New Financial Reporting Standards (continued)

(ii) Standards, amendments and improvements to published standards and interpretations to existing standards that are applicable to the Group, but not yet effective and have not been early adopted

The Group will apply the following new standards, amendments and improvements to published standards and interpretations to existing standards when effective as follows:

Effective for annual periods beginning on or after 1 July 2010

The revised FRS 3 "Business Combination" continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related cost should be expensed.

Improvement to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met.

The revised FRS 127 "Consolidated and Separate Financial Statements" specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

IC Interpretation 9 "Reassessment of Embedded Derivatives" clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

Effective for annual periods beginning on or after 1 January 2011

Amendments to FRS 7 "Financial Instruments: Disclosures" and FRS 1 "First-time Adoption of Financial Reporting Standards" requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Group has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Group.

The revised FRS 101 "Presentation of Financial Statements" further clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IC Interpretation 4 "Determining whether an Arrangement contains a Lease" requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Adoption of New Financial Reporting Standards (continued)

(ii) Standards, amendments and improvements to published standards and interpretations to existing standards that are applicable to the Group, but not yet effective and have not been early adopted (continued)

Effective for annual periods beginning on or after 1 January 2011 (continued)

The adoptions of these standards, amendments and improvements to published standards and interpretations to existing standards are not expected to have a material impact on the financial position of the Group. The remaining standards and interpretations that are issued but not yet effective are not applicable to the Group's operations.

C Significant Accounting Policies

(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 14.

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 2009 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 2009 have not been restated to comply with the standard.

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.

(ii) 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 assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C Significant Accounting Policies (continued)

(ii) Property, plant and equipment (continued)

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 statements of comprehensive income 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 statements of comprehensive income.

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

Buildings	3%
Plant and machinery	4% - 20%
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 financial year end. No revision in the estimates was made by the Group at statement of financial position 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.

(iii) Impairment of non-financial assets

At each reporting 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 statements of comprehensive income 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 statements of comprehensive income unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C Significant Accounting Policies (continued)

(iv) 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. Costs 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.

(v) Trade receivables

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

Trade receivables are initially recognized at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(vi) Cash and cash equivalents

For the purpose of statements of cash flows, 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.

(vii) Income and deferred taxes

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

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 substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C Significant Accounting Policies (continued)

(viii) Foreign currencies

(a) 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 Group's functional and presentation currency.

(b) 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 statements of comprehensive income.

(ix) Employee benefits

(a) 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.

(b) 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 statements of comprehensive income 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 statements of comprehensive income in the year of valuation.

(c) Defined contribution plan

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C Significant Accounting Policies (continued)

(x) Provisions

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

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

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

(xi) 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.

(xii) Share capital

(a) Classification

Ordinary shares are classified as equity.

(b) 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 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C Significant Accounting Policies (continued)

(xiii) 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.

(xiv) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statement of financial position date. A dividend proposed or declared after the statement of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statement of financial position 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.

(xv) Financial instruments

(a) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

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 statements of financial position include derivative financial instruments, cash and bank balances, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(i) Derivative financial instruments

A derivative financial instrument is initially recognized at its fair value on the contract date and is subsequently carried at its fair value. Changes in its fair value are recognized in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C Significant Accounting Policies (continued)

(xv) Financial instruments (continued)

(a) Description (continued)

(ii) Fair values

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the statement of financial position 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 book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

(xvii) 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 aluminium products. Geographical segments provide products or services from within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

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

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 14 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity 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 primarily exposed to United States Dollar ("USD") for its purchases of raw materials including aluminium ingots and sales of finished products.

The Group's exposure to foreign currencies is as follows:

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
At 31 March 2011				
Financial assets				
Trade receivables	17,158	78	-	17,236
Cash and cash equivalents	3,203	-	-	3,203
Other receivables and prepayments	467	3	19	489
Amounts due from related companies	252	-	-	252
	21,080	81	19	21,180
Financial liabilities				
Trade payables	(3,018)	(79)	(113)	(3,210)
Other payables and accruals	(2,865)	(20)	(5)	(2,890)
Amounts due to related companies	(5)	-	(9)	(14)
	(5,888)	(99)	(127)	(6,114)
Net financial assets/ (liabilities)	15,192	(18)	(108)	15,066

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

The Company's exposure to foreign currencies is as follows:

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
At 31 March 2011				
Financial assets				
Trade receivables	6,102	78	-	6,180
Cash and cash equivalents	1,200	-	-	1,200
Other receivables and prepayments	467	3	19	489
Amounts due from related companies	252	-	-	252
	8,021	81	19	8,121
Financial liabilities				
Trade payables	(2,977)	(79)	(20)	(3,076)
Other payables and accruals	(2,865)	(20)	(5)	(2,890)
Amounts due to related companies	(5)	-	(9)	(14)
	(5,847)	(99)	(34)	(5,980)
Net financial assets/ (liabilities)	2,174	(18)	(15)	2,141

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.

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

(b) Interest rate risk

The Group does not have any borrowings and hence its operating cash flows are substantially independent of changes in market interest rates.

(c) Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

The carrying amount of trade receivables are aged as follows:

	Group		Company	
	Gross amount RM'000	Allowance for impairment RM'000	Gross amount RM'000	Allowance for impairment RM'000
At 31 March 2011				
Trade receivables:				
Not past due	29,833	-	15,729	-
Past due 0 to 2 months	4,248	-	3,189	-
Past due 2 to 4 months	292	-	292	-
	34,373	-	19,210	-

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

The Group has no other significant concentrations of credit risk, notwithstanding that all of its deposits are placed with financial institutions in Malaysia. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

(d) Liquidity risk

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

As at statement of financial position date, the Group and Company held cash and cash equivalents of RM51,365,000 and RM23,929,000 respectively that are expected to readily generate cash inflows for managing liquidity risk.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Over 2 years RM'000
At 31 March 2011			
Group			
Financial liabilities			
Trade payables	(15,984)	-	-
Other payables and accruals	(6,390)	-	-
Amounts due to related companies	(14)	-	-
	(22,388)	-	-

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Over 2 years RM'000
Company			
Financial liabilities			
Trade payables	(12,361)	-	-
Other payables and accruals	(6,169)	-	-
Amounts due to related companies	(1,214)	-	-
	(19,744)	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Over 2 years RM'000
At 31 March 2011			
Group			
Gross-settled currency forwards			
- Receipts	21,082	-	-
- Payments	(20,885)	-	-

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Over 2 years RM'000
Company			
Gross-settled currency forwards			
- Receipts	7,896	-	-
- Payments	(7,830)	-	-

4 REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of finished goods	296,586	254,004	287,359	242,096
Sale of scrap and tolling charges	80	7	8	7
	296,666	254,011	287,367	242,103

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 2011

5 OTHER OPERATING INCOME

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income on				
- short term deposits	905	814	479	532
- trade receivables	8	58	8	58
Gain on disposal of property, plant and equipment	26	4	9	3
Rental income	-	-	612	612
Miscellaneous income	60	365	45	267
	999	1,241	1,153	1,472

6 PROFIT FROM OPERATIONS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit from operations is arrived at after charging/ (crediting):				
Auditors' remuneration	142	130	92	85
Hire of machinery and equipment	436	409	387	377
(Gain)/ loss on foreign exchange				
- realised	(174)	703	(256)	82
- unrealised	150	698	52	236
Net fair value gain of currency forwards	(197)	-	(66)	-

The cost of goods sold for the Group and the Company recognised as an expense during the financial year amounted to RM281,543,000 and RM273,992,000 respectively (2010: RM239,030,000 and RM230,299,000).

7 STAFF COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages, salaries and bonus	19,915	17,145	17,502	15,159
Defined contribution retirement plan	2,000	1,892	1,819	1,730
Defined benefit retirement plan	725	763	680	720
Other employee benefits	1,076	1,405	986	1,172
	23,716	21,205	20,987	18,781

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

8 DIRECTORS' REMUNERATION

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-executive Directors:				
- fees	136	136	136	136
Executive Directors:				
- salaries and bonus	928	696	630	439
- defined contribution retirement plan	112	82	94	66
- estimated monetary value of benefits-in-kind	32	36	26	29
	1,072	814	750	534
	1,208	950	886	670

The Executive Directors' salaries, bonus and payments to retirement plans are included in staff costs in the statements of comprehensive income for the financial year.

9 FINANCE COST

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Bank and other financial charges	352	383	279	306

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

10 TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax				
Current year	3,163	1,946	2,988	1,520
Over provision in prior years	(331)	(1,467)	(306)	(1,199)
	2,832	479	2,682	321
Deferred tax (Note 25)				
Origination and reversal of temporary differences	(1,173)	80	(1,184)	131
Under provision in prior years	170	537	248	507
	(1,003)	617	(936)	638
Tax expense	1,829	1,096	1,746	959

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	7,979	6,785	7,131	5,984
Tax calculated at the Malaysian tax rate of 25% (2010: 25%)	1,995	1,696	1,783	1,496
Tax effects of:				
- expenses not deductible for tax purposes	77	332	71	215
- double deduction claims	(103)	(120)	(50)	(60)
- elimination of unrealised profits on consolidation	21	118	-	-
Over provision in prior years	(161)	(930)	(58)	(692)
Tax expense	1,829	1,096	1,746	959

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

11 EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2011	2010
Net profit attributable to shareholders (RM '000)	6,150	5,689
Weighted average number of ordinary shares in issue ('000)	132,252	132,252
Basic earnings per share (sen)	4.7	4.3

(b) Diluted earnings per share

	Group	
	2011	2010
Diluted earnings per share (sen)	4.7	4.3

The Group does not have any dilutive potential ordinary shares in the current financial year as the previous Employee Share Option Scheme ("ESOS") had expired on 13 March 2010.

12 DIVIDENDS

	Group and Company			
	2011		2010	
	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 2011 - paid on 23 August 2010, less 25% tax	7.5	7,439	-	-
Financial year ended 31 March 2010 - paid on 28 July 2009, less 25% tax	-	-	10.0	9,919
	7.5	7,439	10.0	9,919

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects in progress RM'000	Total RM'000
Group						
2011						
Cost or valuation						
At beginning of the year						
- Cost	-	13,086	239,208	7,394	3,752	263,440
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,286	239,208	7,394	3,752	293,640
Additions	-	-	-	-	15,627	15,627
Disposals	-	-	(361)	(580)	-	(941)
Reclassifications	-	629	7,332	538	(8,499)	-
At end of the year	20,000	23,915	246,179	7,352	10,880	308,326
Accumulated depreciation						
At beginning of the year	5,184	15,109	180,625	6,120	-	207,038
Charge for the year	189	685	10,003	554	-	11,431
Disposals	-	-	(361)	(485)	-	(846)
At end of the year	5,373	15,794	190,267	6,189	-	217,623
Accumulated impairment loss						
At beginning of the year	-	-	125	-	-	125
Impairment for the year	-	-	-	-	-	-
At end of the year	-	-	125	-	-	125
Net book value						
- Cost	-	6,868	55,787	1,163	10,880	74,698
- Valuation	14,627	1,253	-	-	-	15,880
	14,627	8,121	55,787	1,163	10,880	90,578

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects in progress RM'000	Total RM'000
Group						
Restated 2010						
Cost or valuation						
At beginning of the year						
- Cost	-	13,086	235,740	7,232	2,108	258,166
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,286	235,740	7,232	2,108	288,366
Additions	-	-	-	-	5,764	5,764
Disposals	-	-	(325)	(165)	-	(490)
Reclassifications	-	-	3,793	327	(4,120)	-
At end of the year	20,000	23,286	239,208	7,394	3,752	293,640
Accumulated depreciation						
At beginning of the year	4,995	14,376	170,665	5,817	-	195,853
Charge for the year	189	733	10,285	466	-	11,673
Disposals	-	-	(325)	(163)	-	(488)
At end of the year	5,184	15,109	180,625	6,120	-	207,038
Accumulated impairment loss						
At beginning of the year	-	-	125	-	-	125
Impairment for the year	-	-	-	-	-	-
At end of the year	-	-	125	-	-	125
Net book value						
- Cost	-	6,668	58,458	1,274	3,752	70,152
- Valuation	14,816	1,509	-	-	-	16,325
	14,816	8,177	58,458	1,274	3,752	86,477

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects in progress RM'000	Total RM'000
Group						
Restated 2009						
Cost or valuation						
At beginning of the year						
- Cost	-	12,924	231,584	7,458	1,043	253,009
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,124	231,584	7,458	1,043	283,209
Additions	-	-	-	-	5,943	5,943
Disposals	-	-	(376)	(410)	-	(786)
Reclassifications	-	162	4,532	184	(4,878)	-
At end of the year	20,000	23,286	235,740	7,232	2,108	288,366
Accumulated depreciation						
At beginning of the year	4,806	13,665	160,493	5,727	-	184,691
Charge for the year	189	711	10,480	497	-	11,877
Disposals	-	-	(308)	(407)	-	(715)
At end of the year	4,995	14,376	170,665	5,817	-	195,853
Accumulated impairment loss						
At beginning of the year	-	-	125	-	-	125
Impairment for the year	-	-	-	-	-	-
At end of the year	-	-	125	-	-	125
Net book value						
- Cost	-	7,143	64,950	1,415	2,108	75,616
- Valuation	15,005	1,767	-	-	-	16,772
	15,005	8,910	64,950	1,415	2,108	92,388

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects in progress RM'000	Total RM'000
Company						
2011						
Cost or valuation						
At beginning of the year						
- Cost	-	13,080	205,243	6,847	3,666	228,836
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,280	205,243	6,847	3,666	259,036
Additions	-	-	-	-	14,838	14,838
Disposals	-	-	(183)	(522)	-	(705)
Reclassifications	-	629	6,542	530	(7,701)	-
At end of the year	20,000	23,909	211,602	6,855	10,803	273,169
Accumulated depreciation						
At beginning of the year	5,184	15,103	158,830	5,645	-	184,762
Charge for the year	189	685	8,423	532	-	9,829
Disposals	-	-	(183)	(426)	-	(609)
At end of the year	5,373	15,788	167,070	5,751	-	193,982
Net book value						
- Cost	-	6,868	44,532	1,104	10,803	63,307
- Valuation	14,627	1,253	-	-	-	15,880
	14,627	8,121	44,532	1,104	10,803	79,187

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects in progress RM'000	Total RM'000
Company						
Restated 2010						
Cost or valuation						
At beginning of the year						
- Cost	-	13,080	202,415	6,701	1,568	223,764
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,280	202,415	6,701	1,568	253,964
Additions	-	-	-	-	5,512	5,512
Disposals	-	-	(286)	(154)	-	(440)
Reclassifications	-	-	3,114	300	(3,414)	-
At end of the year	20,000	23,280	205,243	6,847	3,666	259,036
Accumulated depreciation						
At beginning of the year	4,995	14,370	150,419	5,357	-	175,141
Charge for the year	189	733	8,697	440	-	10,059
Disposals	-	-	(286)	(152)	-	(438)
At end of the year	5,184	15,103	158,830	5,645	-	184,762
Net book value						
- Cost	-	6,668	46,413	1,202	3,666	57,949
- Valuation	14,816	1,509	-	-	-	16,325
	14,816	8,177	46,413	1,202	3,666	74,274

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects in progress RM'000	Total RM'000
Company						
Restated 2009						
Cost or valuation						
At beginning of the year						
- Cost	-	12,918	198,218	6,932	992	219,060
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,118	198,218	6,932	992	249,260
Additions	-	-	-	-	5,279	5,279
Disposals	-	-	(165)	(410)	-	(575)
Reclassifications	-	162	4,362	179	(4,703)	-
At end of the year	20,000	23,280	202,415	6,701	1,568	253,964
Accumulated depreciation						
At beginning of the year	4,806	13,659	141,699	5,296	-	165,460
Charge for the year	189	711	8,885	468	-	10,253
Disposals	-	-	(165)	(407)	-	(572)
At end of the year	4,995	14,370	150,419	5,357	-	175,141
Net book value						
- Cost	-	7,143	51,996	1,344	1,568	62,051
- Valuation	15,005	1,767	-	-	-	16,772
	15,005	8,910	51,996	1,344	1,568	78,823

	Group and Company		
	2011 RM'000	2010 RM'000	2009 RM'000
Net book value of revalued long leasehold land and buildings had these assets been carried at cost less accumulated depreciation:			
- Leasehold land	9,192	9,310	9,428
- Buildings	1,386	1,665	1,947
	10,578	10,975	11,375

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

14 SUBSIDIARIES

	Company	
	2011	2010
	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	
			2011	2010
			%	%
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

15 INVENTORIES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Raw materials	5,244	4,890	4,057	3,980
Work-in-progress	24,708	27,795	24,159	25,912
Finished goods	10,434	9,136	6,834	6,228
Operating supplies and spare parts	11,243	10,883	9,672	9,476
	51,629	52,704	44,722	45,596

16 TRADE RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Trade receivables	34,373	35,561	19,210	21,094
Less: Allowance for impairment	-	-	-	-
	34,373	35,561	19,210	21,094

Credit terms of trade receivables of the Group and the Company range from 7 days to 75 days (2010: 7 days to 75 days).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

17 AMOUNTS DUE FROM RELATED COMPANIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade				
Amounts due from:				
- subsidiary companies	-	-	21,336	17,568
Non-trade				
Amounts due from:				
- subsidiary companies	-	-	403	206
- other related companies	252	-	252	-
	252	-	655	206
Total	252	-	21,991	17,774

The trade balances due from subsidiary companies are unsecured, interest free and have credit terms ranging from 30 to 60 days (2010: 30 to 60 days). The non-trade balances due from other related companies are unsecured, interest free and have no fixed terms of repayment.

18 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Prepayments and advances	714	5,160	706	5,156
Deposits	117	138	103	126
Employee loans and other receivables	155	76	98	41
Total	986	5,374	907	5,323

19 DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2011	
	Notional amount RM'000	Fair value RM'000
Asset		
Forward foreign currency exchange contracts	21,082	197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

19 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Company 2011	
	Notional amount RM'000	Fair value RM'000
Asset		
Forward foreign currency exchange contracts	7,896	66

Comparatives have not been presented in accordance with the transitional provisions of FRS 139.

Forward foreign exchange contracts

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

The fair value of the forward foreign exchange contracts of the Group and the Company which has been recognised at the statement of financial position date was a favourable net position of RM197,000 and RM66,000 respectively. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.

20 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	48,485	41,345	22,491	20,145
Cash and bank balances	2,880	1,223	1,438	1,093
	51,365	42,568	23,929	21,238

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

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Deposit with licensed banks	2.43	1.99	2.51	2.02

The deposits of the Group and the Company have maturity periods which range from overnight to 15 days (2010: overnight to 14 days). Bank balances are deposits held at call with banks and are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

21 TRADE PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	7,741	6,088	4,815	4,579
Trade related accruals	3,856	4,661	3,434	4,237
Payroll related accruals				
- provision for retirement benefits (Note 24)	168	932	168	932
- others	4,219	2,593	3,944	2,351
	15,984	14,274	12,361	12,099

Credit terms of trade payables granted to the Group and the Company vary from 15 days to 90 days (2010: 15 days to 90 days) terms from month end.

22 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Plant and equipment suppliers payable	4,782	1,673	4,716	1,593
Other accruals and sundry payables	1,608	1,559	1,453	1,451
	6,390	3,232	6,169	3,044

23 AMOUNTS DUE TO RELATED COMPANIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade				
Amounts due to subsidiary company	-	-	1,200	955
Amounts due to other related companies	-	147	-	147
Non-trade				
Amounts due to other related companies	14	78	14	78
Total	14	225	1,214	1,180

The trade balances due to subsidiary company and other related companies are unsecured, interest free and have credit terms of 7 days to 30 days (2010: 7 days to 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 2011

24 PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Defined benefit retirement plan				
At beginning of the year	6,064	5,914	5,691	5,584
Charged to the statements of comprehensive income*	725	763	680	720
Benefits paid	(914)	(613)	(914)	(613)
At end of the year	5,875	6,064	5,457	5,691
Represented by:				
Present value of unfunded obligations	5,875	6,064	5,457	5,691
Reflected on the statement of financial position as:				
Current (Note 21)	168	932	168	932
Non-current	5,707	5,132	5,289	4,759
	5,875	6,064	5,457	5,691

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

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Defined benefit retirement plan				
At beginning of the year	6,064	5,914	5,691	5,584
Current service cost	314	351	285	323
Interest cost	256	256	239	241
Actuarial losses	155	156	156	156
Benefits paid	(914)	(613)	(914)	(613)
At end of the year	5,875	6,064	5,457	5,691

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

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current service cost	314	351	285	323
Interest cost	256	256	239	241
Actuarial losses	155	156	156	156
	725	763	680	720

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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	
	2011 %	2010 %
Discount rate	4.5	4.5
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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Present value of unfunded obligations	5,875	6,064	5,457	5,691
Experience loss adjustment on plan liabilities	155	156	156	156

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax liabilities:				
At start of year	9,675	9,058	7,257	6,619
Charged/ (credited) to statement of comprehensive income: (Note 10)				
- property, plant and equipment	(639)	(351)	(493)	(171)
- provisions and allowances	(364)	968	(443)	809
	(1,003)	617	(936)	638
At end of year	8,672	9,675	6,321	7,257
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	12,508	13,147	9,886	10,379
Offsetting	(3,836)	(3,472)	(3,565)	(3,122)
Deferred tax liabilities (after offsetting)	8,672	9,675	6,321	7,257
Deferred tax assets (before offsetting)				
- provisions and allowances	(3,836)	(3,472)	(3,565)	(3,122)
Offsetting	3,836	3,472	3,565	3,122
Deferred tax assets (after offsetting)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

26 SHARE CAPITAL

	Group and Company	
	2011 RM'000	2010 RM'000
Authorised:		
Ordinary shares of RM1.00 each		
At beginning/ end of the year	200,000	200,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning/ end of the year	134,331	134,331

Treasury shares

During the financial year ended 31 March 2011, the Company did not repurchase any of its issued share capital from the open market (2010: Nil). 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.

At statement of financial position date, of the total 134,330,848 (2010: 134,330,848) issued and fully paid ordinary shares, 2,079,000 (2010: 2,079,000) are held as treasury shares by the Company. At statement of financial position date, the number of shares with voting rights in issued and fully paid share capital is 132,251,848 (2010: 132,251,848) ordinary shares of RM1.00 each.

27 REVALUATION AND OTHER RESERVES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 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)	(2,330)	(2,330)	(2,330)
	2,138	2,138	6,170	6,170

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

27 REVALUATION AND OTHER RESERVES (CONTINUED)

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.

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 RM16,994,000 (2010: RM24,433,000) of the revenue reserve of the Company as at 31 March 2011 if paid out as dividends.

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 2007.

29 CAPITAL COMMITMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements are as follows:				
- contracted	8,710	1,515	8,556	1,515
- not contracted	5,022	1,708	4,988	1,627
	13,732	3,223	13,544	3,142

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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 related companies some of whom are shareholders or share common shareholders or share a common ultimate holding company. The material related party transactions between the Group and the Company and these entities are described below:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Income				
Sales of finished goods to:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	107,316	81,372
Management service fees from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	888	888
Rental income from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	612	612
Expenditure				
Purchases of materials from:				
- Novelis Korea Ltd, a related company incorporated in Korea	6,129	11,111	6,129	11,111
- Hindalco Industries Limited, ultimate holding company	1,034	1,924	1,034	1,924
Purchases of scrap from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	9,796	8,170
Technical service fees charged by				
- Novelis Inc., holding company	299	342	199	228

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management remuneration

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include the 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.

	Group		Company	
	2011 **RM'000**	**2010** **RM'000**	**2011** **RM'000**	**2010** **RM'000**
Key management personnel remuneration are as follows:				
Salaries and bonus	2,452	2,408	1,816	1,797
Defined contribution retirement plan	151	129	151	129
Defined benefit retirement plan	-	272	-	272
Estimated monetary value of benefits-in-kind	351	206	284	149
	2,954	3,015	2,251	2,347

31 FAIR VALUES

The following table represents the Group's and Company's financial assets that are measured at fair value at 31 March 2011:

	Group **RM'000**	**Company** **RM'000**
Assets		
Financial assets at fair value through profit or loss:		
- Currency forwards (Note 19)	197	66

Fair values of currency forwards are estimated based on financial institutions valuation of similar instruments that are publicly traded.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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.

	Revenue		Total assets		Capital expenditure	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia *	160,722	133,268	229,829	226,126	15,627	5,764
Asia	104,902	93,115	-	-	-	-
Other regions	31,042	27,628	-	-	-	-
	296,666	254,011	229,829	226,126	15,627	5,764

* Included in sales to Malaysian customers are sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM46,455,000 (2010: RM38,445,000).

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 May 2011.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

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

The breakdown of the retained profits of the Group and of the Company as at 31 March 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group RM'000	Company RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	58,611	36,568
- Unrealised	3,883	3,579
	62,494	40,147
Less: Consolidation adjustments	(10,771)	-
Retained profits as per financial statements	51,723	40,147

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 45 to 91 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 2011 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 26 May 2011.

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, Bernard William A/L William G. Gomez, 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 45 to 91 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

BERNARD WILLIAM A/L WILLIAM G. GOMEZ

Subscribed and solemnly declared by the abovenamed Bernard William A/L William G. Gomez at Bukit Raja, Klang, Selangor Darul Ehsan in Malaysia on 26 May 2011 before me.

PESURUHJAYA SUMPAH
B369
SABBIR B. ALI HUSSIN
MALAYSIA

NO. 31-1, TINGKAT SATU, JALAN TIARA 2B, BANDAR BARU KLANG, 41150 KLANG, SELANGOR D.E.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALUMINIUM COMPANY OF MALAYSIA BERHAD (INCORPORATED IN MALAYSIA)
(COMPANY NO. 3859 U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Aluminium Company of Malaysia Berhad on pages 45 to 91, which comprise the statements of financial position as at 31 March 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on notes 1 to 33.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965 and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements 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 2011 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 (INCORPORATED IN MALAYSIA)
(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 reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 34 on page 92 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ERIC OOI LIP AUN
(No. 1517/06/12 (J))
Chartered Accountant

Kuala Lumpur
26 May 2011

PROPERTY HELD BY THE GROUP

AS AT 31 MARCH 2011

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 20 to 29	RM22.7 million	1985

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2011

ANALYSIS BY SIZE OF SHAREHOLDINGS

Category	Shareholders	%	Shareholdings	%
Less than 100	167	4.41	3,976	0.00
100 to 1,000	812	21.42	693,613	0.52
1,001 to 10,000	2,031	53.59	9,627,462	7.28
10,001 to 100,000	699	18.44	19,636,718	14.85
100,001 to less than 5% of issued shares	80	2.11	24,056,025	18.19
5% and above of issued shares	1	0.03	78,234,054	59.16
Total	3,790	100.00	132,251,848	100.00

LIST OF DIRECTORS' SHAREHOLDING

No.	Directors	Total shareholdings	%
1	Y.A.M Tunku Tan Sri Imran Ibni Tuanku Ja'afar	0	0.00
2	Sachin Yeshawant Satpute	0	0.00
3	Dato' Kok Wee Kiat	0	0.00
4	Y.M Tengku Yunus Kamaruddin	114,500	0.09
5	Thomas L Walpole	0	0.00
6	Tan See Ping	70,000	0.05

LIST OF THIRTY LARGEST SHAREHOLDERS

No	Name	No. of shares	%
1	Novelis Inc.	78,234,054	59.16
2	Amanahraya Trustees Berhad (Public Islamic Equity Fund)	2,017,900	1.53
3	HSBC Nominees (Tempatan) Sdn Bhd (HSBC (M) Trustee Bhd For Maakl Al-Fauzan (5170))	1,599,200	1.21
4	Permodalan Nasional Berhad	1,181,000	0.89
5	Toh Kam Choy	1,018,000	0.77
6	Kumpulan Wang Simpanan Guru-Guru	703,900	0.53
7	HSBC Nominees (Tempatan) Sdn Bhd (HSBC (M) Trustee Bhd For Maakl Dividend Fund (5311-401))	616,200	0.47
8	Shoptra Jaya (M) Sdn Bhd	600,000	0.45
9	Yeoh Kean Hua	564,000	0.43
10	Tay Kak Chok	546,200	0.41
11	Lee Yu Yong @ Lee Yuen Ying	523,100	0.40
12	Yeoh Ah Tu	500,000	0.38
13	Lim Ka Ea	485,000	0.37
14	Loh Loon Teik Sdn.Bhd.	470,000	0.36
15	Kurnia Insurans (Malaysia) Berhad	423,100	0.32
16	Tang Yet Siong @ Tang Yik Siong	419,500	0.32
17	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ong Kok Thye)	414,500	0.31
18	SOW TIAP	401,000	0.30
19	Goh Beng Beng	394,000	0.30
20	Wentel Corporation Sdn.Bhd.	384,000	0.29
21	Lim Bee Hoe	334,600	0.25
22	Chong Kok Fah	330,000	0.25
23	Mayban Nominees (Tempatan) Sdn Bhd (Yeoh Ah Tu)	317,000	0.24
24	Yap Ching Kim @ Yok Ching Kin	305,000	0.23
25	Khor Meow Siang	302,500	0.23
26	Sing Foong Yin	302,500	0.23
27	Lim Kui Hua	290,000	0.22
28	Loh Teik Chye @ Loh Loon Teik	280,000	0.21
29	Lim Kian Huat	273,800	0.21
30	Sen Ah Kow @ Cheng Lip Kong	270,000	0.20

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.

This page has been left blank intentionally

FORM OF PROXY

FIFTIETH 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 Fiftieth Annual General Meeting of the Company to be held on Level 3, Atlanta East, Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan at Thursday, 25 August 2011 at 11.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

			FOR	AGAINST
1.	Resolution 1	Re-election of Thomas L. Walpole as Director		
2.	Resolution 2	Re-appointment of Dato' Kok Wee Kiat as Director		
3.	Resolution 3	Re-appointment of Y.M. Tengku Yunus Kamaruddin as Director		
4.	Resolution 4	Approval of payment of Directors' Fee of RM136,000		
5.	Resolution 5	Re-appointment of Messrs PricewaterhouseCoopers as Auditors and to authorize the Directors to fix the Auditors' Remuneration		
6.	Resolution 6	As Special Business: Ordinary Resolution – Authority under Section 132D of the Companies Act, 1965, for the Directors to issue shares		
7.	Resolution 7	As Special Business: Ordinary Resolution – Proposed Renewal of Authority for the Purchase by the Company of its Own Shares		
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 ____________ 2011   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 here

AFFIX
STAMP

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

Fold here

ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

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

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