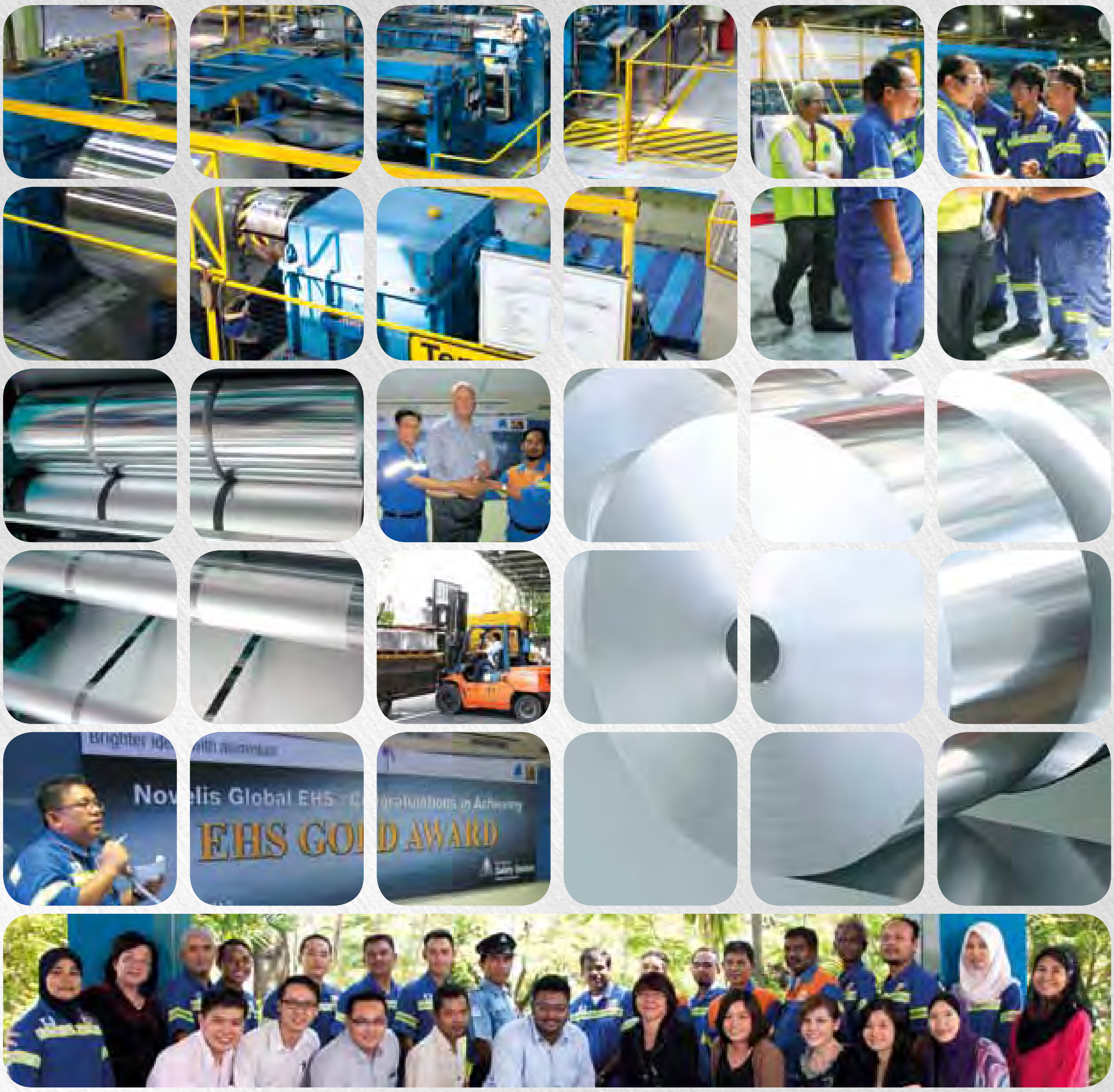
ALUMINIUM COMPANY OF MALAYSIA BERHAD
(3859-U)



ANNUAL REPORT 2012

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AWARDS AND HONOURS

NOVELIS GLOBAL EHS RECOGNITION

Gold Award 2012

STARBIZ-ICR CORPORATE RESPONSIBILITY AWARDS

Finalist "Environment" Category 2010

O.Y.L. MANUFACTURING CO. SDN. BHD.

Long Business Partner Award 2010

O.Y.L. MANUFACTURING CO. SDN. BHD.

Green Procurement Partner Certificate 2010

STARBIZ-ICR COPORATE RESPONSIBILITY AWARDS

WINNER "Workplace" Category 2009

TOSHIBA CARRIER (THAILAND) CO. LTD.

Supplier Quality: Excellent Award 2009

INDUSTRY EXCELLENCE AWARDS

Product Excellence Award 2008 (Open Category)

INDUSTRY EXECELLENCE AWARDS

Prime Minister's Award for Industry Excellence 2008

HITACHI AIR-CONDITIONING PRODUCTS (M) SDN. BHD.

Excellent Business Partners' Award 2007

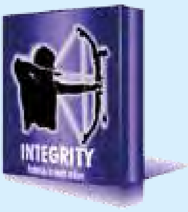
PANASONIC HA AIR-CONDITIONING (M) SDN. BHD.

Strategic Business Partner Award 2007

COVER RATIONALE

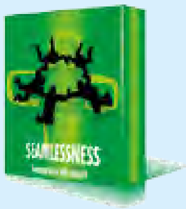
ALCOM regard the strength of her talented and passionate people as the most valued asset and the very building blocks of its foundation. With the attributes of its people's extensive skills, knowledge and experience acquired in its 51 years of existence, ALCOM is set to take on the competition and to emerge as a brand leader in the Asia-Pacific region.

OUR CORE VALUES



INTEGRITY:
HONESTY IN
EVERY ACTION

COMMITMENT:
DELIVER ON
THE PROMISE



SEAMLESSNESS:
BOUNDARY LESS
IN LETTER AND SPIRIT

PASSION:
ENERGIZED
ACTION

SPEED:
ONE STEP
AHEAD ALWAYS

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-First 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, 30 August 2012 at 12.00 noon for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31 March 2012 and the reports of the directors and auditors thereon.

2. To re-elect Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tunku Ja'afar who retires in accordance with Article 92(A) of the Articles of Association of the Company. **ORDINARY RESOLUTION 1**

3. To re-elect Thomas Felix Boney who retires in accordance with Article 92(D) of the Articles of Association of the Company. **ORDINARY RESOLUTION 2**

4. To re-elect Shashi Kant Maudgal who retires in accordance with Article 92(D) of the Articles of Association of the Company. **ORDINARY RESOLUTION 3**

5. To re-elect Paul Allen Stadnikia who retires in accordance with Article 92(D) of the Articles of Association of the Company. **ORDINARY RESOLUTION 4**

6. 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 5**

7. 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 6**

8. To approve the payment of directors' fees of RM136,000 for the financial year ended 31 March 2012 (2011: RM136,000). **ORDINARY RESOLUTION 7**

9. To re-appoint Messrs PricewaterhouseCoopers as auditors and to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the Auditors' remuneration. **ORDINARY RESOLUTION 8**

AS SPECIAL BUSINESS

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

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

    "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 **ORDINARY RESOLUTION 9**

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

to be issued pursuant to this Resolution in any one financial year shall not exceed 10% of the issued capital for the time being of the Company AND THAT the Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

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

ORDINARY RESOLUTION 10

"That, subject always to the Companies Act, 1965 ("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 2012 are RM36,227,775 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 Fifty-First AGM at which such resolution was passed, at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions;

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

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

whichever occurs first.

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

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

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

    ORDINARY RESOLUTION 11

    "That, subject always to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the Company and its subsidiaries shall be mandated to enter into the category of recurrent transactions of revenue or trading nature with those related parties as set out in Section 2.2 and 2.4 of the Circular dated 26 July 2012 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 Fifty-First AGM at which such mandate was passed, at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed;

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

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

    whichever occurs first.

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

13. 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 2012

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 9

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

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

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 25 August 2011 and which will lapse at the conclusion of the Fifty-First Annual General Meeting.

Ordinary Resolution 10

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 11

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 2012 with regard to Ordinary Resolution 11.

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 28 of this annual report. Directors' interests in the securities of the Company are disclosed on page 44 of this annual report.

CORPORATE GOVERNANCE

PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

ALCOM's Board of Directors ("the Board") is fully 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 shareholders' 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, the Board will reassess our corporate governance practices and implement changes as and when appropriate.

Set out below is the 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 2012.

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 28 of the Annual Report.

Board Balance

ALCOM's Board as at end of the financial year had five (5) members comprising one Independent Non-Executive Chairman, two Independent Non-Executive Directors, one Non-Independent Non-Executive Directors and one Non-Independent Executive Director. The Chairman has never held any prior executive position in the Group. The Directors bring to the Board a wide range of skills and experience in fields such as commerce, law, finance as well as knowledge of the aluminium business.

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
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

Responsibilities Of The Board

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 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 2012 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. At the end of FY2012, member of 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
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

Nomination Committee (continued)

During the financial year ended 31 March 2012, the Nomination Committees met once on 26 May 2011. 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	0 / 1

Remuneration Committee

Members of the Remuneration Committee as at end of FY2012, comprises of 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 2012, the Committee met once on 23 February 2012. 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	1 / 1
Dato' Kok Wee Kiat	1 / 1
Mr. Thomas L. Walpole	0 / 1

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 2012, four (4) Board meetings were held and the details of the Board meetings and attendance of the Directors were as follows:-

Date of meeting	Hour	Place
26 May 2011	11:00 a.m.	ALCOM, Bukit Raja, Klang
25 August 2011	09:30 a.m.	Hotel Armada, Petaling Jaya
30 November 2011	10:30 a.m.	ALCOM, Bukit Raja, Klang
23 February 2012	10:45 a.m.	ALCOM, Bukit Raja, Klang

CORPORATE GOVERNANCE
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD **(CONTINUED)**

A. BOARD OF DIRECTORS (CONTINUED)

Board Meetings (continued)

Details on attendance of the directors at meetings held during the financial year ended 31 March 2012 were as follows:

Name of director	Date of appointment	No of meetings attended*	Percentage of attendance (%)
Y.A.M. Tunku Tan Sri Imran ibni Almarhum Tuanku Ja'afar	27 July 1987	4/4	100
Dato' Kok Wee Kiat	1 January 1996	4/4	100
Mr. Sachin Yeshawant Satpute ##	25 May 2009	4/4	100
Y.M. Tengku Yunus Kamaruddin	27 December 2001	4/4	100
Mr. Thomas L. Walpole	24 November 2008	2/4	50
Mr. Tan See Ping #	1 June 2004	1/1	100

Note :
* *Number of meetings attended/numbers of meetings held while in office*
\# *Resigned on 30 June 2011.*
\## *Resigned on 01 June 2012.*

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, strategies, as well as proposed announcements and releases comprising quarterly and year-end financial results to the Bursa Malaysia Securities Berhad ("BMSB"). The Board papers are issued to each Director at least five (5) working days in advance.

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.

CORPORATE GOVERNANCE
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

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.

The Directors have during the financial year ended 31 March 2012, 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	- None
Dato' Kok Wee Kiat	1. Corporate Governance ("CG") Week 2011 (29 November 2011) - The Shape of Things to Come for Chartered Secretaries - The Age of Integration – A New Dawn for Corporate Reporting - It is All About Balance - The Pillar of Business Sustainability 2. CG Week 2011 (2 December 2011) - Are the Boards Aware What They Are Up Against? - How Business Solutions will Deliver the Vision of a Sustainable World - Nurture the Corporation, Assure the Stakeholders
Y.M. Tengku Yunus Kamaruddin	1. The Board's Responsibility for Corporate Culture – Selected Governance Concerns and Tools for Addressing Corporate Culture and Board Performance (5 May 2011) 2. The CFO and Conflicts of Interest (24 May 2011) 3. FRS Seminar – Issues and Challenges of IC 15 and IAS 41 (17 June 2011) 4. CG Week 2011 (1 December 2011) - Oxford Union Style CG Debate Motion: Independent Directors are a Myth - Taking Socially Responsible Investment Practices Forward
Mr. Thomas L. Walpole	- None
Mr. Sachin Yeshawant Satpute	1. Global Leadership Program – Atlanta (May 9-11, 2011) 2. Novelis Leadership Summit in Atlanta (September 20-22, 2011) 3. ERP & Business system implementation – Novelis 2.0 pivot meeting, Atlanta (January 18-19, 2012)

CORPORATE GOVERNANCE
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD **(CONTINUED)**

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:-

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

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 2012 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	-	848	-	631	417	1,896
Non-executive	136	-	-	-	-	136

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

** *Other emoluments include bonuses and performance awards.*

CORPORATE GOVERNANCE
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (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	
RM100,001 to RM200,000	-
RM200,001 to RM300,000	-
RM300,001 to RM400,000	-
RM400,001 to RM500,000	-
RM500,001 to RM600,000	-
RM600,001 to RM700,000	-
RM700,001 to RM800,000	1*
RM800,001 to RM900,000	-
RM900,001 to RM1,000,000	-
RM1,000,001 to RM1,100,000	-
RM1,100,001 to RM1,200,000	1

Remuneration by Director is not disclosed for reasons of confidentiality.

* *Total amount (excludes gratuity) paid to a former Executive Director*

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 the press, analysts and shareholders on request. During such discussions, the Group's performance, strategic plans for the future and other major developments are explained.

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
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD **(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 2012, the Group continued to provide certification on its internal control system to its parent company on quarterly basis. The Group continues 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
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

D. ACCOUNTABILITY AND AUDIT (CONTINUED)

Internal Control (continued)

As part of the Novelis Group, ALCOM is also impacted by several initiatives driven from the Corporate headquarters which aids in strengthening as well as enhancing the various systems in place, namely, the Delegation of Authority which is the pivotal foundation for centralizing controls and driving the electronic (e-RFA) Requisition For Approval and also the centralized Contract Management system for compliance purposes. Novelis has embarked on the global Novelis 2.0 project which is one of the key initiatives to transform the entire Novelis into a globally integrated company by the implementation of the the standardized Enterprise Resource Planning (ERP) system as a common technology platform.

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 Board Audit Committee. The internal auditors follow up on any action plans arising from the audit till they are resolved and closed.

Relationship with the Auditors

An appropriate relationship is maintained with the Company's Auditor through the Audit Committee and Board of Directors. The key features and the role of the Audit Committee in relation to the external auditors are included in the Audit Committee's terms of references detailed on pages 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 2012, the Directors have:

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

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

E. OTHER INFORMATION

Share Buyback

In the financial year ended 31 March 2012, 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 2012.

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.

CORPORATE GOVERNANCE
PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

E. OTHER INFORMATION (CONTINUED)

Imposition of Sanctions/Penalties

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

Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to 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	No. 3, Persiaran Waja, Kawasan Perindustrian Bukit Raja, 41050 Klang, Selangor Darul Ehsan
Description	Factory and office building
Tenure	99 years leasehold Expiring in year 2088
Land area	12.1 hectares
Approximate built up area (sq.metre)	35,964
Age of building (years)	Range from 21 to 30
Net book value as at 31 March 2012	RM 25.0 million
Year of revaluation	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 2012

INTRODUCTION

ALCOM's Board of Directors ("the Board') is fully committed in maintaining a sound system of internal controls and risk management practices to sustain good corporate governance to safeguard shareholders' investments and Group's assets during the financial year under review pursuant to the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

Set out below is the Board of Directors' Statement on Internal Controls, which outlines the nature and scope of internal control of the Group prepared in accordance to the guidelines provided by Bursa Securities.

RESPONSIBILITIES OF THE BOARD

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 regulatory 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 control system as well as identify possible solutions to eliminate shortcomings or deficiencies identified.

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

DIRECTORS' STATEMENT ON INTERNAL CONTROL
FOR FINANCIAL YEAR ENDED 31 MARCH 2012 **(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 departments 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 in standard operating policies and procedures manuals. These manuals such as those relating to safety, health, 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 2012 **(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, policies, 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

The Group management continues with its annual practice of making 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 of the Group is adequate and effective 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 compositions of the Audit Committee during the financial year ended 31 March 2012 were as follows:-

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

The detailed profile of the Committee Members can be found on pages 25-28.

During the financial year ended 31 March 2012, 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	1/4	25%

** 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.

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.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

COMPOSITION AND MEETINGS (CONTINUED)

Internal Audit Function (continued)

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 annual internal audit function were absorbed by the parent company.

SUMMARY OF TERMS OF REFERENCE

1. Composition of Members

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

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

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

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

2. Retirement and Resignation

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

3. Chairman

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

4. Meetings

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

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

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

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

SUMMARY OF TERMS OF REFERENCE (CONTINUED)

5. Objectives

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

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

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

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

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

6. Authority

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

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

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

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

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

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

7. Duties and responsibilities

7.1 Evaluating the External Audit Process

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

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

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

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

7.2 Overseeing Financial Reporting

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

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

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

SUMMARY OF TERMS OF REFERENCE (CONTINUED)

7. Duties and responsibilities (continued)

7.2 Overseeing Financial Reporting (continued)

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

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

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

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

7.3 Assess Risks & Control Environment

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

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

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

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

7.4 Review conflict of interest and Related Party Transaction

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

7.5 Relationships and Communication with Board, Auditors and Management

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

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

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

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

BOARD OF DIRECTORS

Sitting from left to right

Y.M. TENGKU YUNUS KAMARUDDIN

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

DATO' KOK WEE KIAT

Standing from left to right

MR. SACHIN YESHAWANT SATPUTE

MR. PAUL ALLEN STADNIKIA

MR. THOMAS FELIX BONEY

MR. THOMAS L. WALPOLE

MR. SHASHI KANT MAUDGAL

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 64, 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, 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.

THOMAS FELIX BONEY
Non-Independent and Executive Director
Age 47, American

Appointed to the Board on 1 June 2012. Mr. Boney holds a degree in Finance from St. Bonaventure University and a Masters in Management from Penn State University.

Mr. Boney began his career in the aluminum industry in 1987 when he joined Alcoa as a field sales representative. He went on to hold several leadership positions over his 17-year career span within the company.

He then joined the Novelis Inc. Group of companies in 2006. Since then, Mr. Boney served as the Vice President of Manufacturing Excellence where he led the global manufacturing strategy for the company's 31 locations. Mr. Boney also held positions as Vice President of Rolling and Recycling in Zurich, Switzerland and Plant Manager in Oswego, N.Y.

Tom Boney was named Vice President and General Manager of the Can Products business for Novelis North America from 2011 till his recent appointment as the Managing Director of Aluminium Company of Malaysia Berhad ("ALCOM") on 1st June 2012. As the largest segment of Novelis' global business, the Can business has North America operations in Berea, Ky., Greensboro, Ga., Warren, Ohio and at Logan Aluminum Inc., the company's joint venture with Tri-Arrows Aluminum in Russellville, Ky. As the leader of the Can business, he has responsibility for commercial strategy and profitability and management oversight for all Can operations in the region.

He has not attended any of the Board meetings held in FY2012, prior to his appointment.

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

DIRECTORS' PROFILE (CONTINUED)

SACHIN YESHAWANT SATPUTE

Non-Independent and Executive Director

Age 46, 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 Korea, he was appointed as Managing Director of Aluminium Company of Malaysia Berhad ("ALCOM") and relocated to Malaysia on 1st April 2011.

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

On 01 June 2012, he resigned as Managing Director of ALCOM to assume a wider scope of leadership and responsibilities in his new assignment in Hindalco Industries Ltd at Mumbai, India.

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

DATO' KOK WEE KIAT

Independent and Non-Executive Director

Age 71, Malaysian

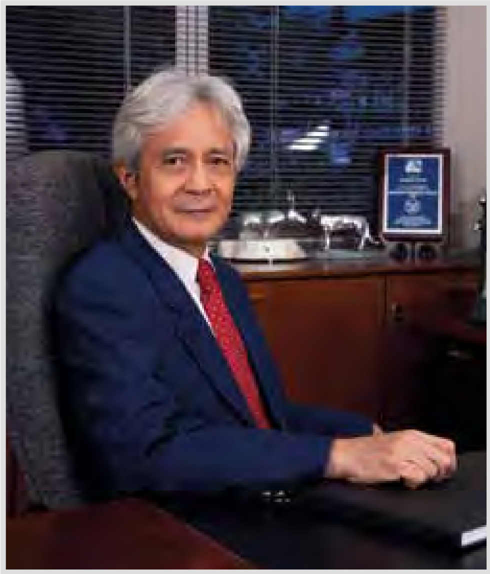
Appointed to the Board since 1 January 1996. He is currently Chairman of the Audit Committee and also a member of the Nomination Committee and Remuneration Committee, all of which are sub-committees of the Board. He holds a LLB (Hons) degree from the National University of Singapore.

He practised law from 1965 to 1986 and from 1990 to 2000. From 1986 to 1990 he was the Deputy Minister of Trade & Industry of Malaysia. Dato' Kok also sits on the Boards of Directors of Bata Malaysia Sdn. Bhd., The Bank of Nova Scotia Berhad and the Securities Industry Disputes Resolution Center. He was the Chairman of the Environmental Quality Council of Malaysia from 2000 to 2009. He is the Honorary President of the Business Council for Sustainability & Responsibility, Malaysia. He has been the Honorary Consul in Malaysia for the Grand Duchy of Luxembourg since 2007.

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

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

DIRECTORS' PROFILE (CONTINUED)



Y.M. TENGKU YUNUS KAMARUDDIN
Independent and Non-Executive Director
Age 71, 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.

SHASHI KANT MAUDGAL
Non-Independent and Non-Executive Director
Age 58, Indian

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

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

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

Prior to his appointment, he has not attended any of the Board meetings held in FY2012.

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)

PAUL ALLEN STADNIKIA

Non-Independent and Non-Executive Director

Age 53, American

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

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

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

He has not attended any of the Board meetings held in FY2012, prior to his appointment.

THOMAS L. WALPOLE

Non-Independent and Non-Executive Director

Age 57, 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. In addition to his positions as President Novelis Asia & CEO Novelis Korea (formerly known as ATA) which he held since February 2007, he was assigned additional responsibility as Senior Vice President Global Manufacturing Excellence for the Novelis Inc Group on 1April 2011.

On 9 February 2012, he was appointed Senior Vice President and President, Novelis North America to assume a wider scope of responsibility based in North America.

He attended two (2) 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.

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. THOMAS FELIX BONEY
(Non-Independent Executive Director)
[Appointed on 1 June 2012]

MR. SACHIN YESHAWANT SATPUTE
(Non-Independent Executive Director)
[Resigned on 1 June 2012]

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

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

MR. SHASHI KANT MAUDGAL
(Non-Independent Non-Executive Director)
[Appointed on 1 June 2012]

MR. PAUL ALLEN STADNIKIA
(Non-Independent Non-Executive Director)
[Appointed on 1 June 2012]

MR. THOMAS L. WALPOLE
(Non-Independent Non-Executive Director)
[Resigned on 1 June 2012]

Joint Secretaries:
MS. LAM LEE SAN (MAICSA 7048104)

MS. ERICIA TAN YOKE KUAN (MAICSA 7056281)

AUDIT COMMITTEE

Chairman:
DATO' KOK WEE KIAT

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

Y.M. TENGKU YUNUS KAMARUDDIN

MR. PAUL ALLEN STADNIKIA [Appointed on 1 June 2012]

MR. THOMAS L. WALPOLE [Resigned on 1 June 2012]

NOMINATION COMMITTEE

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

Members:
DATO' KOK WEE KIAT

MR. SHASHI KANT MAUDGAL [Appointed on 1 June 2012]

MR. THOMAS L. WALPOLE [Resigned on 1 June 2012]

REMUNERATION COMMITTEE

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

Members:
DATO' KOK WEE KIAT

MR. SHASHI KANT MAUDGAL [Appointed on 1 June 2012]

MR. THOMAS L. WALPOLE [Resigned on 1 June 2012]

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

SALES ENQUIRIES/CONTACT

sales@novelis.com

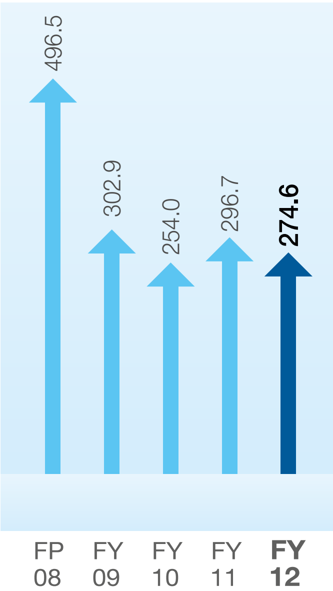
WEBSITE

ALCOM Group: www.alcom.com.my

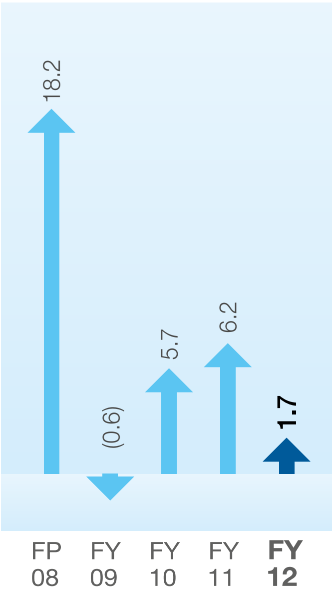
Parent Company: www.novelis.com

FIVE-YEAR SUMMARY

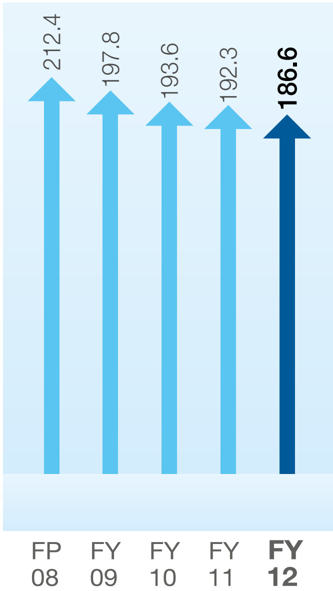
REVENUE
(RM million)



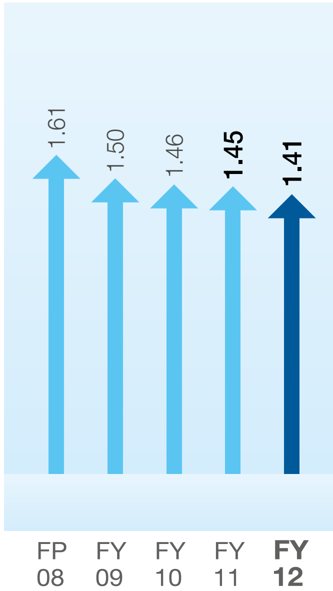
NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS
(RM million)



SHAREHOLDERS' FUNDS
(RM million)



NET TANGIBLE ASSET BACKING PER ORDINARY SHARE
(RM)



GROUP FINANCIAL HIGHLIGHTS	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	12 months year ended 31.03.2012
Revenue and Earnings (RM million)					
Revenue	496.5	302.9	254.0	296.7	**274.6**
Profit/(Loss) from ordinary activities before tax	24.5	(0.1)	6.8	8.0	**2.4**
Provision for taxation					
- Current	(8.1)	(2.3)	(0.5)	(2.8)	**(0.6)**
- Deferred	1.8	2.6	(0.6)	1.0	**(0.1)**
Net profit/(loss) attributable to shareholders	18.2	(0.6)	5.7	6.2	**1.7**
Balance Sheet Items (RM million)					
Working capital	130.5	119.8	121.9	116.1	**102.0**
Non current assets	98.4	92.4	86.5	90.6	**99.6**
Total borrowings	-	-	-	-	**-**
Shareholders' funds	212.4	197.8	193.6	192.3	**186.6**
Total assets	263.3	223.6	226.1	229.8	**219.8**
Other Statistics					
Earnings/(Loss) per Ordinary Share (Sen)	14.0	(1.0)	4.0	5.0	**1.3**
Ordinary dividends per Share (Sen)	13.0	13.0	10.0	7.5	**7.5**
Net tangible asset backing per Ordinary Share (RM)	1.61	1.50	1.46	1.45	**1.41**
Capital expenditure (RM million)	7.6	5.9	5.4	12.5	**23.6**
Net cash from operating activities (RM million)	35.6	31.7	(3.7)	27.7	**15.3**
Share prices : Highest (RM)	1.50	1.13	1.16	1.04	**1.05**
: Lowest (RM)	1.00	0.74	0.77	0.90	**0.81**

CHAIRMAN'S STATEMENT
KENYATAAN PENGERUSI

On behalf of the Board of Directors, I present the annual report of the Aluminium Company of Malaysia Berhad for the financial year ended 31 March 2012.

GROUP PERFORMANCE

Market demand for aluminium was strong for the first quarter 2012 but declined toward the second and third quarters of the year. These two quarters were influenced by the global softening in demand as a result of the United States(US) and Euro zone debt crisis, the regional impact after the earthquake in Japan, the political crisis in the Middle East and North Africa and severe flooding in Thailand.

Aluminium prices peaked in the beginning of the financial year at USD2,685/mt but closed downwards at USD2,225/mt in March 2012; with pockets of volatility hitting a low of USD2,032/mt in Dec 2011.

ALCOM's shipment for FY2012 was lower by 7.1% compared to the previous year and the Group's turnover was lower by 7.4% at RM274.6 million. Lack lustre demand of finstock in the second and third quarters coupled with the wide spread imports of low quality cheaper products by major exporters into Malaysia and

Bagi pihak Lembaga Pengarah, saya membentangkan laporan tahunan Aluminium Company of Malaysia Berhad bagi tahun kewangan yang berakhir 31 Mac 2012.

PRESTASI KUMPULAN

Permintaan pasaran untuk aluminium lebih kukuh bagi suku tahun pertama 2012 tetapi menurun menjelang suku tahun kedua dan ketiga. Kedua-dua suku tahun ini dipengaruhi oleh penurunan permintaan global akibat dari krisis hutang Amerika Syarikat (AS) dan zon Euro, kesan serantau selepas gempa bumi di Jepun, krisis politik di Timur Tengah dan Afrika Utara dan banjir teruk di Thailand.

Harga-harga aluminium memuncak di awal tahun kewangan pada USD2,685 / mt tetapi ditutup rendah pada USD2,225 / mt pada Mac 2012; dengan kadar ketidakstabilan sehingga merudum serendah USD2,032 / mt pada Dis 2011.

Penghantaran ALCOM untuk FY2012 lebih rendah sebanyak 7.1% berbanding tahun sebelumnya dan perolehan Kumpulan lebih rendah sebanyak 7.4% kepada RM274.6 juta. Kekurangan permintaan finstock pada suku tahun kedua dan ketiga berserta dengan pengimportan secara meluas produk-produk berkualiti dan bernilai rendah oleh pengeksport utama ke Malaysia dan negara serantau yang lain membawa kepada

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

the neighbouring region led to reduced sales volumes. Notwithstanding this, ALCOM Group remained profitable for the full FY2012 and we achieved a consolidated pre-tax profit of RM2.4 million compared to RM8.0 million the year before.

In 2012, ALCOM achieved a specific EHS milestone when it was named as one of the winners within the Novelis Group which operates from 29 plants situated in 11 countries located in 4 continents. This award was the Novelis EHS – GOLD award for Outstanding Achievement in Environment, Health and Safety (EHS).

ALUMINIUM COMPANY OF MALAYSIA BERHAD

ALCOM at the Company level achieved a profit after tax of RM3.5 million compared to RM5.4 million in the previous year. This decline in profitability was the direct impact of lower shipment volumes of 5.9% over the previous year.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

Shipments of coated finstock by ANSC, a wholly owned subsidiary of ALCOM also declined by 6.1% compared to the previous year. The lower shipment was due mainly to the sharp decline in demand caused by the aftermath of the natural disaster in Japan followed by severe floods in Thailand. Margins were also adversely impacted by dumping from major exporters leading to a drop in revenue for the year by RM9.6 million to RM116.8 million. Consequently ANSC posted a net loss after tax of RM1.8 million in FY2012 compared to the RM0.8 million net profit after tax recorded a year earlier.

FINANCIAL

As at the end of the financial year, Group cash reserves amounted to RM36.8 million compared to RM51.4 million registered at the end of the previous financial year.

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

pengurangan jumlah jualan. Walau bagaimanapun, Kumpulan ALCOM masih mencatat keuntungan sepanjang tahun 2012 dan telah mencapai keuntungan terkumpul sebelum cukai sebanyak RM2.4 juta berbanding dengan RM8.0 juta pada tahun sebelumnya.

Pada tahun 2012, ALCOM mencapai satu mercu tanda khusus di dalam EHS apabila ia dinamakan sebagai salah satu daripada pemenang-pemenang di dalam Kumpulan Novelis yang beroperasi daripada 29 kilang di dalam 11 negara yang terletak di 4 benua. Anugerah ini adalah dari Novelis EHS – Anugerah EMAS untuk pencapaian cemerlangnya di dalam Alam Sekitar, Kesihatan dan Keselamatan (EHS).

ALUMINIUM COMPANY OF MALAYSIA BERHAD

Pada peringkat syarikat, ALCOM telah mencapai keuntungan selepas cukai sebanyak RM3.5 juta berbanding dengan RM5.4 juta pada tahun sebelumnya. Penurunan di dalam keuntungan ini adalah kesan secara langsung daripada jumlah penghantaran yang lebih rendah sebanyak 5.9% di sepanjang tahun sebelumnya.

ALCOM NIKKEI SPECIALTY COATINGS SDN BHD (ANSC)

Penghantaran coated finstock oleh ANSC, sebuah anak syarikat milik penuh ALCOM juga merosot sebanyak 6.1% berbanding tahun sebelumnya. Penyebab utama kepada penghantaran lebih rendah adalah kemerosotan secara mendadak dalam permintaan disebabkan oleh kesan daripada bencana alam di Jepun diikuti oleh banjir teruk yang melanda Thailand. Margin juga menerima kesan akibat daripada kemelesetan pengeksport utama justeru membawa kepada kemerosotan pendapatan tahunan dari RM 9.6 juta kepada RM 116.8 juta. Secara keseluruhannya, ANSC mencatat kerugian bersih selepas cukai sebanyak RM1.8 juta dalam FY2012 berbanding dengan RM0.8 juta keuntungan bersih selepas cukai yang telah dicatatkan pada tahun sebelumnya.

KEWANGAN

Pada akhir tahun kewangan, rizab wang tunai bagi Kumpulan adalah sebanyak RM36.8 juta berbanding dengan RM51.4 juta dicatatkan di akhir tahun kewangan yang lalu.

Sepanjang tahun tersebut, dividen interim sebanyak 7.5% ditolak 25% cukai telah dibayar. Jumlah pembayaran dividen adalah berjumlah RM7.4 juta.

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

ECONOMIC AND INDUSTRY TREND & DEVELOPMENTS

We continue to experience a difficult operating environment caused by the ongoing Global economic slowdown with the US attempting to stabilize and register growth at a lower rate and the Euro zone debt crisis still threatened by intensifying strains. The situation is further impacted by higher global oil prices and volatility in both the US dollar and metal prices. Many Asian countries like China and India have also been impacted by the global softening in demand and have recently lowered their Gross Domestic Product ("GDP") forecasts.

Likewise, Malaysia has revised her GDP growth forecast to between 4% - 5% for the year ending 2012; the construction and infrastructure sectors is set to take the lead in sustaining and creating domestic demand.

PROSPECTS

The outlook for FY2013 therefore remains challenging. Despite the gloomy outlook of the global economy and uncertainties from changes in the volatility of the Malaysian Ringgit, higher oil and metal prices and energy cost hikes, ALCOM will respond with tight mitigation measures and continue to remain profitable.

In the new financial year, ALCOM will sustain recovery with a continued and strong focus on EHS standards, begin to build a higher value product portfolio whilst broadening and deepening customer base and relationships. It would further enhance its cost management, operating performance and productivity levels which will be essential for margin preservation and to deliver a strong financial performance.

As in the past, the Group will continue to work toward creating opportunities out of the challenges arising in order to derive maximum benefit and continue to create value for all our stakeholders in FY2013.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank all our stakeholders, beginning with our employees, shareholders, our customers, suppliers, bankers, business associates and the government authorities including regulatory authorities. We look forward to your continued commitment and dedicated support in the coming years.

PERKEMBANGAN EKONOMI DAN ALIRAN INDUSTRI

Kita terus mengalami situasi operasi yang sukar disebabkan oleh kelembapan ekonomi Global yang berterusan dan AS berusaha untuk menstabilkan dan mencatat pertumbuhan pada kadar yang lebih rendah dan krisis hutang zon Euro masih diancam oleh beban yang semakin meningkat. Keadaan seterusnya adalah kesan dari harga minyak global yang lebih tinggi dan kadar setidakstabilan dalam matawang AS dan harga logam. Banyak negara Asia seperti India dan China juga telah menerima kesan daripada penurunan dalam permintaan secara global dan baru-baru ini telah merendahkan ramalan Keluaran Dalam Negara Kasar ("KDNK") mereka.

Malaysia juga telah mengubah ramalan pertumbuhan KDNKnya di antara 4% - 5% untuk akhir tahun 2012; pembinaan dan sektor infrastruktur bersedia untuk mendahului dalam mengekalkan dan mencipta permintaan domestik.

PROSPEK

Tinjauan untuk tahun 2013 kekal mencabar. Walaupun tinjauan agak suram bagi ekonomi global dan ketidakpastian daripada perubahan dalam kemeruapan Ringgit Malaysia, harga minyak dan logam yang lebih tinggi, dan kenaikan kos tenaga, ALCOM akan bertindakbalas dengan langkah-langkah mitigasi yang ketat dan terus kekal mencatatkan keuntungan.

Dalam tahun kewangan yang baru, ALCOM akan kekal pulih dengan tumpuan yang kukuh dan berterusan mengikut piawaian EHS, mula untuk mewujudkan portfolio produk yang bernilai tinggi di samping lebih menjurus kepada mendalami asas pelanggan dan perhubungan. Ia akan terus meningkatkan kos pengurusannya, prestasi dalam operasi dan tahap produktiviti yang akan menjadi sangat penting untuk melindungi margin dan menghasilkan prestasi kewangan yang lebih kukuh.

Seperti pada tahun lepas, Kumpulan ALCOM akan terus berusaha untuk mewujudkan peluang-peluang daripada cabaran-cabaran yang bakal muncul demi menghasilkan manfaat sepenuhnya dan terus mewujudkan nilai kepada semua pihak yang berkepentingan pada tahun 2013.

PENGHARAGAAN

Bagi pihak Lembaga, saya ingin merakamkan ucapan terima kasih kepada semua pihak, bermula dengan

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

Since my last report, both Mr. Thomas L. Walpole and Mr. Sachin Yeshawant Satpute have resigned as members of the Board effective from 1 June 2012. Mr. Thomas L. Walpole has also resigned as a member of the Board Audit Committee, Nomination Committee and Remuneration Committee. In his stead, Mr. Shashi Kant Maudgal and Mr. Paul Allen Stadnikia have joined the Board on 1 June 2012. On the same day, Mr. Shashi Kant Maudgal was also appointed a member of the Nomination Committee and Remuneration Committee, whilst, Mr. Paul Allen Stadnikia was appointed as a member of the Board Audit Committee. On behalf of the Board, I would like to register a note of thanks to both Mr. Thomas L. Walpole and Mr. Sachin Yeshawant Satpute for all their contributions whilst holding office.

At the same time, the Board would also like to congratulate Mr. Thomas Felix Boney who has assumed the role of Managing Director and taken over from Mr. Sachin Yeshawant Satpute with effect from 1 June 2012. Prior to joining ALCOM, Mr. Thomas Felix Boney served in a variety of senior management positions in the Novelis Group of Companies and has extensive experience in the aluminium business which will help him to lead ALCOM toward achieving greater success.

The Board would also like to register a note of 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 Board and Group.

Last but not least, 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

26 JULY 2012

pekerja-pekerja kami, pemegang-pemegang saham, pelanggan-pelanggan kami, pembekal-pembekal, pihak bank, sekutu perniagaan dan pihak berkuasa kerajaan termasuk penguatkuasa undang-undang. Kami mengharapkan komitmen yang berterusan dan sokongan berdedikasi anda pada tahun-tahun yang akan datang.

Sejak laporan terakhir saya, En. Thomas L. Walpole dan En. Sachin Yeshawant Satpute telah meletakkan jawatan sebagai ahli Lembaga berkuatkuasa dari 1 Jun 2012. En. Thomas L. Walpole juga telah meletakkan jawatan sebagai Ahli Lembaga Audit Committee, Nomination Committee dan Remuneration Committee. Sebagai ganti, En. Shashi Kant Maudgal dan En. Paul Allen Stadnikia telah menyertai Lembaga pada 1 Jun 2012. Pada hari yang sama, En. Shashi Kant Maudgal juga dilantik sebagai ahli Nomination Committee dan Remuneration Committee, manakala, En. Paul Allen Stadnikia telah dilantik sebagai ahli Lembaga Audit Committee. Bagi pihak Lembaga, saya ingin merakamkan nota terima kasih kepada kedua-dua En. Thomas L. Walpole dan En. Sachin Yeshawant Satpute untuk semua sumbangan mereka semasa memegang jawatan.

Pada masa yang sama, Lembaga juga ingin mengucapkan tahniah kepada En. Thomas Felix Boney yang telah menyandang jawatan sebagai Pengarah Urusan yang diambil alih dari En. Sachin Yeshawant Satpute berkuat kuasa dari 1 Jun 2012. Sebelum menyertai ALCOM, En. Thomas Felix Boney berkhidmat dalam pelbagai jenis jawatan pengurusan kanan di dalam Kumpulan Syarikat Novelis dan mempunyai pengalaman yang luas dalam perniagaan aluminium yang akan membantu beliau mengemudi ALCOM ke arah mencapai kejayaan lebih besar.

Lembaga juga ingin merakamkan nota penghargaan kepada syarikat berkanun kami Novelis Inc. Sokongan daripada syarikat induk yang, memang dikenali sebagai pengilang bertaraf dunia yang sangat fokus dan cekap telah memberi bantuan yang sangat besar kepada Lembaga dan Kumpulan.

Akhir sekali tetapi tidak kurang pentingnya, saya juga dengan seikhlas hati ingin berterima kasih kepada semua rakan-rakan Pengarah atas nasihat yang bernilai dan sokongan mereka pada tahun-tahun yang lepas.

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

26 JULAI 2012

MANAGING DIRECTOR'S REVIEW ON OPERATIONS

FY2012 was a tough and challenging year. ALCOM began with a good 1st quarter amidst the dampened global economy resulting from the unresolved Euro zone debt crisis and political unrest in the Middle East and North Africa nations. The situation was exacerbated with the post tsunami effects on the Japanese economy and the Thailand floods which adversely impacted the high value finstock product of our customers in the air-conditioning manufacturing industry.

These circumstances led to a sharp decline in shipment volumes resulting in consecutive losses in the second and third quarters. However, with partial recovery in certain key segments coupled with the concerted effort by ALCOM's team in cost management, the 4th quarter registered a return to profitability; with ALCOM registering a profit for the full year of RM1.68 million against the previous year's profit of RM6.15 million.

NEW TENSION LEVELLER COMMISSIONED IN FY2012

During the year under review, ALCOM successfully commissioned the new RM15million Tension Leveller machine on schedule in Dec 2012 which improved production recovery rates substantially and further enhanced the quality of our existing products. The Tension Leveller will also widen our product offerings to include new products like cap stock, composite panel and clad coils that will increase our value propositions to our existing and potential customers.

Board congratulating the Tension Leveller Team

Board of Directors with staff & Management of ALCOM

ACHIEVEMENT : EHS-ENVIRONMENT, HEALTH & SAFETY–LOST-TIME INJURY AND ILLNESS (LTII) FREE RECORD

Safety has always been one of the main priorities in ALCOM's operations. On 19 February 2012, ALCOM achieved a record 2 million man hours without LTII, surpassing the 1 million record which it set on 24 January 2011. This incident free achievement which is the first since ALCOM's existence in 53 years was made possible through leadership by example and dedicated efforts of the Management and Operation team's continual focus on safety at the workplace.

Congratulations! ALCOM's team did it again!

Achieving the 2nd million man hours LTII free - Senior Management Team

MANAGING DIRECTOR'S REVIEW ON OPERATIONS (CONTINUED)

ALCOM WON THE FY2012 NOVELIS EHS GOLD AWARD

For fiscal year 2012, ALCOM was one of the Novelis' plants worldwide that won the FY2012 Novelis EHS Gold Award category. ALCOM has made safety and care for the environment paramount in their operations and in turn have surpassed the EHS goals set for the fiscal year 2012. The bestowal of Gold status meant that ALCOM had met all of the following criteria :-

i) A recordable case rate equal to or below 0.50

ii) Lost Time Injury and Illness rate equal to or below 0.15

iii) A minor Environmental Incident rate equal to or below 0.15

In recognition of this achievement, ALCOM received a cash award from Novelis Inc to fund community projects.

Recognition of a job well done

Novelis EHS Gold Award FY12

MALAYSIAN GOVERNMENT INITIATIVES IN FY2012

Power & Tariffs Hike in June 2011

In line with the subsidy reduction plan, in June 2011, the Government announced an initial hike in power and gas tariffs with further increases to be announced at a later date. However, after taking into consideration feedback from Federation of Malaysian Manufacturers, the Malaysian authorities have decided to defer the energy hike indefinitely which brings great respite not only to ALCOM but to many manufacturers that place great reliance upon power and gas consumption in their manufacturing processes.

Implementation of the Mandatory Standard in Nov 2011

The Ministry of International Trade and Industry implemented the Mandatory Quality Standards for Aluminum Rolled Products in November 2011 which requires a minimum quality standard to be attained before Aluminum Roll Products can be imported into Malaysia. The aim of The Ministry was to stamp out unscrupulous imports of cheaper low quality finished products from flooding the domestic market. ALCOM became an indirect beneficiary of this ruling through increased orders from stockists and traders.

Malaysia's Minimum Wage Ruling in May 2012

In May 2012, Malaysia's minimum wage for private sector employees was set at between RM800 and RM900 per month. It covers employees in all economic sectors except those in domestic services. The Minimum Wage Order 2012 has just been gazetted recently and the ruling is expected to take effect from 1st January 2013. In the implementation process, the Government was mindful of the impact on employers and worked to ensure that the minimum wage ruling would not burden employers.

MANAGING DIRECTOR'S REVIEW ON OPERATIONS (CONTINUED)

SUSTAINABILITY & CORPORATE RESPONSIBILITIES

At ALCOM, sustainability means delivering economic value to our stakeholders without compromising the needs of the people or the environment where we ensure our operations help to satisfy the growing aluminium demand in a responsible way. We also ensure we offer a safe and desirable workplace that operates efficiently and which fosters innovation.

Our Life Cycle Approach

To be a truly sustainable company, ALCOM needs to consider the full life cycle impact of our products, i.e. what happens beyond our own production lines.

Thanks to aluminium's excellent recyclability, we have an opportunity to adopt a life cycle approach by manufacturing new products out of the old ones. The benefit of this approach includes:

- reducing "embedded" carbon by approximately 95% through the increased use of recycled aluminium
- meeting customer needs to reduce greenhouse gas emissions and other environmental impact in their supply chains
- driving product innovation and profitability for ALCOM and our customers.

We take into account the entire product value chain; we consider the impact of our raw materials, production, product use and end of product life, looking for ways to maximize our recycled content and minimize our environmental and social impact.

The Three Pillars of Sustainability – i) People, ii) Planet & iii) Profit

i) Focus on People:

Management Strategic Planning on business sustainability…

Continuous staff training to enhance talents and competencies

Health and Safety

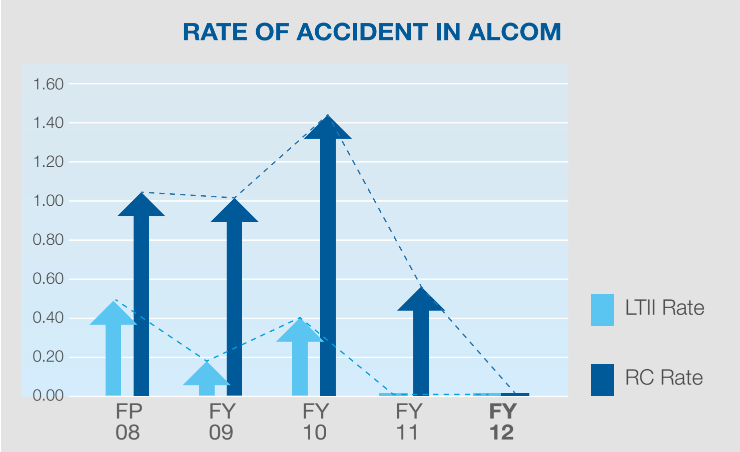
We aim to be an employer of choice attracting and retaining talented people. Our primary concern has always been the health and safety of employees.

ALCOM will continue with its annual proactive effort to work on improving employees' health by ensuring all employees undergo a structured medical examination supervised by appointed service providers working closely with our panel doctors. The scope of the medical examination will be customized to job exposure and the results of the examinations were compared with previous years to provide monitoring cum health management counseling especially in relation to lifestyle and eating habits and an assisted management of chronic ailments via a monitored medication program.

Staff health monitoring program

MANAGING DIRECTOR'S REVIEW ON OPERATIONS (CONTINUED)

We believe our performance results are headed in the right direction, but we know there is more we can do. We are continually developing our safety awareness and training programs, as well as our management system to ensure a safe work environment. In this aspect, ALCOM has adopted the Behavioural Based Safety (BBS) process to inculcate the six pillars of behavioural safety, namely Awareness, Management, Ownership, Measurement, Feedback and finally Analysis through continual training processes carried out plant-wide. Our goal in this area continues to be zero injuries and fatalities.



Ethics

Ethics is an important part of our people focus. As a business, we strive to do the right thing. Part of this involves updating our employee Code of Conduct, in which all employees are expected to be trained.

ALCOM'S Contribution in Malaysia's Sporting Arena

ALCOM is a partner with **SportExcel** to develop Malaysia's future sporting talents. The foundation for Malaysian Sporting Excellence or **SportExcel** was launched in April 1991 with the mission of assisting young, talented and deserving athletes to achieve excellence at the international level and bring honor to the nation. ALCOM is pleased that it has, as part of its corporate responsibility partnered with **SportExcel** since its inception to this end.

One of the successes of **SportExcel** is Dato' Nicol David who is currently the 6th time World Woman Squash Champion. To showcase the pivotal role SportExcel has played in nurturing sporting talents like international squash icon Dato' Nicol, SportExcel hosted a Tea Session on 27th March 2012 at the Royal Selangor Club, Bukit Kiara.

Mr. Sachin joins Dato' Nicol & SportExcel Chairman, Y.A.M. Tunku Tan Sri Imran for the cake cutting ceremony in honour of her achievement as the 6th Time World Squash Champion.

MANAGING DIRECTOR'S REVIEW ON OPERATIONS (CONTINUED)

ALCOM's Neighbour Program

To reflect our integrated approach to sustainability, we have refreshed our community engagement program to align it more closely with our business strategy. The ALCOM Neighbour program seeks to meet community needs through three areas of focus:

- Lighter Living
- Brighter Future
- Better Environment

Donation to MAKNA (National Cancer Council)

Through the program, we have been extending our core value of a "safety first" mindset to our employees through the "Ride Safely to and fro work" initiative to instill safety awareness on daily commuting.

ALCOM hosting study visits from Malaysian Productivity Centre

Practical knowledge for UTM undergraduates

On community services, ALCOM continues to run the micro business projects scheme with several schools within the Klang valley. This scheme helps to inculcate the spirit of entrepreneurship among our youth and provide them with practical training on the possibilities and benefits of re-cycling initiatives.

ALCOM has always been reliable and dependable in accommodating the call from its neighbour. Therefore at the urgent request of its neighbourhood Hospital (Hospital Besar Tengku Ampuan Rahimah, Klang) to replenish the blood bank during the 'low' seasons, ALCOM had on two separate occasions, gladly obliged by organising blood donation campaigns in ALCOM's premises. The voluntary participation from ALCOM employees were overwhelming in the two blood donation campaigns held in FY2012. ALCOM will continue to support its neighbourly Hospitals as part of its corporate responsibility.

ALCOM's employee doing his bit for the blood bank

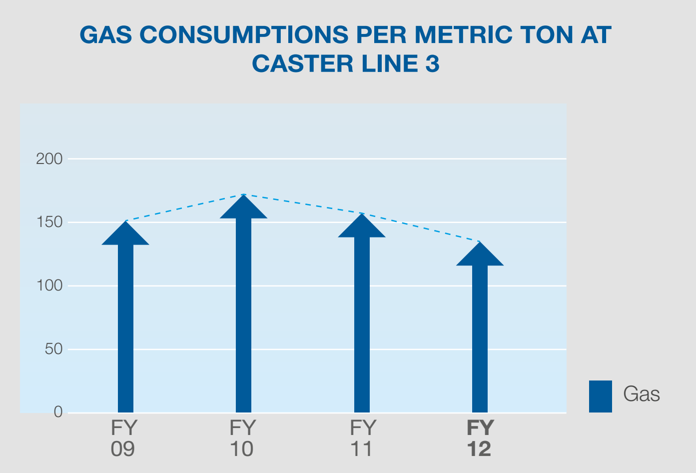
Children of ALCOM's employees are recognized as part of ALCOM's family and it is ALCOM's intention to encourage these children to achieve high academic excellence. To give meaning to this recognition, there is the ALCOM School Academic Excellence Award where cash incentives are given for outstanding achievers.

Rewarding Children of Staff who excel in SPM

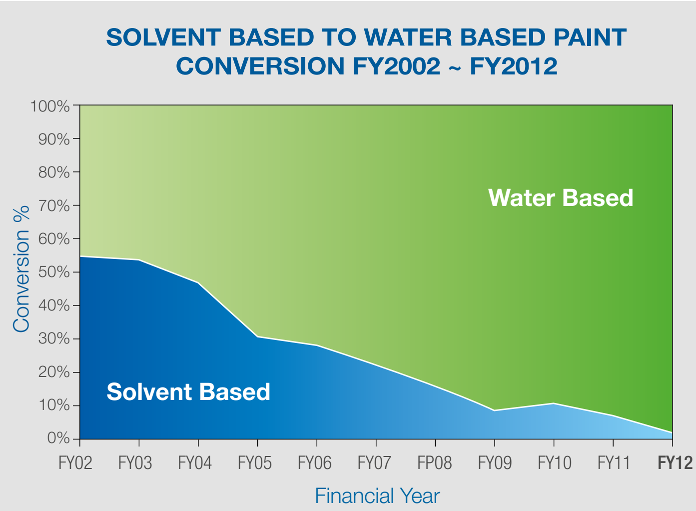
MANAGING DIRECTOR'S REVIEW ON OPERATIONS (CONTINUED)

ii) Supporting the Environment:

We use every opportunity to incorporate life cycle thinking, increase operational efficiency and encourage green innovation in the workplace. Some of the most direct ways where we have a positive impact on the environment also result in a benefit to our bottom line. More that 95% of our greenhouse gas emissions are carbon dioxide and nitrous oxide related to energy use. Energy conservation and efficiency improvement are priorities for ALCOM. We are working to increase the monitoring of energy use, identify the most promising targets for energy reduction and implement energy efficiency improvement programs. In FY2012, following the gas usage reduction initiatives carried out at Caster Line 3, the plant has managed to register a 16% natural gas consumption reduction per metric ton.



Replacement of solvent based paints with water based paints has always been one of the main areas of primary focus for coatings operations. In FY2012, the technical team from ANSC worked on several initiatives. Firstly, on full conversion of existing usage of solvent based paint to 100% "water based" paint. Secondly, the introduction of a new primer end-product that was more cost effective but that maintains the same quality performance to existing customers. Thirdly, the innovative new fin paints with self cleaning capabilities (SCF) on fins which are more environmentally friendly. All these initiatives were on track and was successfully implemented within the first quarter of FY2013 itself.



iii) Delivering Value to our Customers:

ALCOM has an important role to play in the safe, efficient and profitable operations that bring value to our customers and long-term profitability to the business. With this, ALCOM is experiencing an increase in demand for sustainable products from all of the markets we serve. Aligned with our life cycle thinking, we are developing more sustainable products not only for our benefit but for that of our customers and consumers as well.

Plant tour by business partners from Daikin India

MANAGING DIRECTOR'S REVIEW ON OPERATIONS (CONTINUED)

The world is using aluminium at an ever-increasing rate. As people in emerging economies become wealthier, a significant number of new consumers are purchasing electronics, cars, packaged food and beverage, which all utilize aluminium. This trend would increase growth in demand for aluminium in developing regions; projected to be nearly 10% per year. Sustainability of our products has therefore never been more important.

Engaging consumers in sustainability is another important aspect of our operations. Our plan is to ensure that consumers who use our products not only have a high-quality, beneficial and safe experience, but also have a simple and effective way to place all their aluminium products back into the loop for re-cycling, instead of it going to the landfill.

ALCOM as a corporate citizen is also going GREEN in its production process. In FY2012, ALCOM purchased 5.3 metric tons of scrap. This resulted in our scrap input ratio improving from 8% in the previous year to 22% in FY2012. Addressing consumer recycling is critical in achieving the 80% recycled content target by 2020 set by our parent company.

To achieve this, we all have a role to play in motivating consumers to put aluminium back into the recycling loop. As a company, we will become more pro-active in supporting convenient, close-to-home collection and infrastructure education as well as in raising awareness about the benefits of recycling.

LOOKING AHEAD

GDP growth is still the key driver for many market segments. The Euro zone is still looming with uncertainties due to the Euro zone debt crisis. US growth is relatively stable but at a lower rate. Export oriented Asian economies like Japan, Korea and Taiwan is also seen to be struggling with China and India recently dropping its GDP forecasts. Malaysia is also targeting a lower GDP of between 4% to 5% in FY2012. Domestic demand is expected to be the key pillar that holds the Malaysian economy against headwinds from the external sector.

Some of the domestic competition has already exited from the market due to deteriorating sales volumes, pricing and rising costs of energy. However, the demand is still strong and responding well with the implementation of the Mandatory Standards by the government authorities to stamp out cheap imports of low quality finished products. For ALCOM, there are still opportunities through various Continuous Improvement initiatives including better recovery rates, overtime management, energy efficiency and inventory management. Focus on further paint development and packaging solution enhancements are also planned.

At the export side, Thailand customers have recovered from the flood and orders have returned to normalcy. The commercial team will begin focusing on building higher value product portfolios and a larger customer base by penetrating new market opportunities in Taiwan, India, Korea and the ASEAN nations which have huge long term growth potential in shipment volumes.

The procurement team working in tandem with the operations and commercial teams will contribute to lower input cost of metal into the supply chain through their structured procurement strategy.

I am excited to work together with our stakeholders to overcome the present challenges and lead ALCOM into a more sustainable future.

26 July 2012

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 2012.

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	1,687	3,520

DIVIDENDS

The dividends paid by the Company since 31 March 2011 were as follows:

	RM'000
In respect of the financial year ended 31 March 2012 - interim dividend of 7.5%, less 25% tax, paid on 8 August 2011	7,439

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2012.

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 financial years and held by the Company as at 31 March 2012 are set out in Note 28 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar, Chairman
Dato' Kok Wee Kiat
Y.M. Tengku Yunus Kamaruddin
Thomas L. Walpole
Sachin Yeshawant Satpute
Tan See Ping (Resigned as Director with effect from 30 June 2011)

In accordance with Articles 92(A) of the Company's Articles of Association, Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits as disclosed in Note 10 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 each in the Company			
	At 1.4.2011	**Purchased**	**Sold**	**At 31.3.2012**
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)

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

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

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 May 2012.

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

SACHIN YESHAWANT SATPUTE

Director

Bukit Raja, Klang

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Group 2012 RM'000	Group 2011 RM'000
Revenue	6	274,585	296,666
Other operating income	7	943	999
Changes in inventories of raw materials, work-in-progress and finished goods		(6,548)	(1,440)
Raw materials and consumables used		(204,949)	(225,662)
Staff costs	9	(23,035)	(23,716)
Utilities and fuel		(14,208)	(14,298)
Depreciation of property, plant and equipment		(11,039)	(11,431)
Upkeep, repairs and maintenance of assets		(6,739)	(6,309)
Environmental costs		(735)	(675)
Allowance for inventory writedown		138	(160)
Technical fees		(451)	(361)
Other operating expenses		(5,242)	(5,282)
Profit from operations	8	2,720	8,331
Finance cost	11	(308)	(352)
Profit before tax		2,412	7,979
Tax expense	12	(725)	(1,829)
Net profit for the financial year/Total comprehensive income for the financial year		1,687	6,150
Attributable to:			
Shareholders of the Company		1,687	6,150
Earnings per share:			
- basic (sen)	13(a)	1.28	4.7
- diluted (sen)	13(b)	1.28	4.7
Dividends per share (sen)	14	7.5	7.5

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Company 2012 RM'000	Company 2011 RM'000
Revenue	6	270,871	287,367
Other operating income	7	1,129	1,153
Changes in inventories of raw materials, work-in-progress and finished goods		(6,420)	(825)
Raw materials and consumables used		(207,814)	(226,919)
Staff costs	9	(20,123)	(20,987)
Utilities and fuel		(12,645)	(12,720)
Depreciation of property, plant and equipment		(9,531)	(9,829)
Upkeep, repairs and maintenance of assets		(5,763)	(5,306)
Environmental costs		(555)	(463)
Allowance for inventory writedown		40	(469)
Technical fees		(272)	(199)
Other operating expenses		(3,775)	(3,393)
Profit from operations	8	5,142	7,410
Finance cost	11	(232)	(279)
Profit before tax		4,910	7,131
Tax expense	12	(1,390)	(1,746)
Net profit for the financial year/Total comprehensive income for the financial year		3,520	5,385

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	99,614	90,578	88,182	79,187
Subsidiaries	16	-	-	26,860	26,860
		99,614	90,578	115,042	106,047
CURRENT ASSETS					
Inventories	17	46,183	51,629	39,043	44,722
Trade receivables	18	35,466	34,373	17,825	19,210
Amounts due from related companies	19	252	252	10,488	21,991
Other receivables and prepayments	20	679	986	504	907
Tax recoverable		795	449	603	-
Derivative financial instruments	21	-	197	-	66
Deposit, cash and bank balances	22	36,807	51,365	26,411	23,929
		120,182	139,251	94,874	110,825
LESS: CURRENT LIABILITIES					
Trade payables	23	13,794	15,984	11,661	12,361
Other payables and accruals	24	4,069	6,390	3,551	6,169
Amounts due to related companies	25	60	14	980	1,214
Provision for taxation		-	758	-	758
Derivative financial instruments	21	211	-	107	-
		18,134	23,146	16,299	20,502
NET CURRENT ASSETS		102,048	116,105	78,575	90,323
LESS: NON-CURRENT LIABILITIES					
Provision for retirement benefits	26	6,346	5,707	5,690	5,289
Deferred taxation	27	8,764	8,672	7,086	6,321
		15,110	14,379	12,776	11,610
		186,552	192,304	180,841	184,760
CAPITAL AND RESERVES					
Share capital	28	134,331	134,331	134,331	134,331
Share premium		4,112	4,112	4,112	4,112
Revaluation and other reserves	29	2,138	2,138	6,170	6,170
Revenue reserve	30	45,971	51,723	36,228	40,147
Total equity		186,552	192,304	180,841	184,760

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		← 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 2011		134,331	134,331	4,112	2,138	51,723	192,304
Total comprehensive income for the financial year		-	-	-	-	1,687	1,687
Transactions with owners: Dividends for the financial year ended:							
- 31 March 2012 (paid)	14	-	-	-	-	(7,439)	(7,439)
At 31 March 2012		134,331	134,331	4,112	2,138	45,971	186,552
At 1 April 2010		134,331	134,331	4,112	2,138	53,012	193,593
Total comprehensive income for the financial year		-	-	-	-	6,150	6,150
Transactions with owners: Dividends for the financial year ended:							
- 31 March 2011 (paid)	14	-	-	-	-	(7,439)	(7,439)
At 31 March 2011		134,331	134,331	4,112	2,138	51,723	192,304

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	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 2011		134,331	134,331	4,112	6,170	40,147	184,760
Total comprehensive income for the financial year		-	-	-	-	3,520	3,520
Transactions with owners: Dividends for the financial year ended:							
- 31 March 2012 (paid)	14	-	-	-	-	(7,439)	(7,439)
At 31 March 2012		134,331	134,331	4,112	6,170	36,228	180,841
At 1 April 2010		134,331	134,331	4,112	6,170	42,201	186,814
Total comprehensive income for the financial year		-	-	-	-	5,385	5,385
Transactions with owners: Dividends for the financial year ended:							
- 31 March 2011 (paid)	14	-	-	-	-	(7,439)	(7,439)
At 31 March 2011		134,331	134,331	4,112	6,170	40,147	184,760

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit for the financial year		1,687	6,150	3,520	5,385
Adjustments for:					
Net fair value loss/(gain) of currency forwards		211	(197)	107	(66)
Property, plant and equipment					
- depreciation		11,039	11,431	9,531	9,829
- gain on disposal		(57)	(26)	(57)	(9)
Interest income		(832)	(913)	(434)	(487)
Provision for retirement benefits		1,105	725	867	680
Allowance for inventory writedown		(138)	160	(40)	469
Unrealised foreign exchange (gain)/loss		(221)	150	(84)	52
Tax expense		725	1,829	1,390	1,746
		13,519	19,309	14,800	17,599
Decrease/(increase) in working capital:					
Inventories		5,584	915	5,719	405
Receivables		(368)	5,426	1,938	6,248
Payables		(1,372)	2,530	(245)	1,035
Balances with related companies		46	(462)	11,269	(4,183)
Cash from operations		17,409	27,718	33,481	21,104
Tax refund		349	3,209	-	3,209
Tax paid		(2,086)	(2,290)	(1,986)	(2,144)
Retirement benefits paid		(331)	(914)	(331)	(914)
Net cash from operating activities		15,341	27,723	31,164	21,255

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

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- purchases		(23,563)	(12,518)	(21,947)	(11,715)
- proceeds from disposal		271	121	270	105
Interest income received		832	910	434	485
Net cash used in investing activities		(22,460)	(11,487)	(21,243)	(11,125)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid to shareholders		(7,439)	(7,439)	(7,439)	(7,439)
Net cash used in financing activity		(7,439)	(7,439)	(7,439)	(7,439)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(14,558)	8,797	2,482	2,691
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		51,365	42,568	23,929	21,238
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	22	36,807	51,365	26,411	23,929

NON-CASH TRANSACTION

The principal non-cash transaction during the financial year is the acquisition of plant and equipment by the Group and the Company of which RM1,508,000 (2011: RM4,782,000) and RM1,508,000 (2011: RM4,716,000) (Note 24) respectively are remained as payable at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

1 GENERAL INFORMATION

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

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

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

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

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

2 BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with the provisions of the 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.

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company and are effective

The new and revised accounting standards, amendments and improvements to published standards and interpretations which are effective and applicable to the Group and the Company financial year beginning on or after 1 April 2011 are as follows:

- FRS 3: "Business Combinations (Revised)"
- FRS 127: "Consolidated and Separate Financial Statements (Revised)"
- Amendments to FRS 5: "Non-current Assets Held for Sale and Discontinued Operations"
- Amendments to FRS 7: "Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments"
- Amendments to FRS 132: "Financial Instruments: Presentation - Classification of Rights Issues"
- IC Interpretation 4: "Determining Whether an Arrangement contains a Lease"
- IC Interpretation 12: "Service Concession Arrangements"
- IC Interpretation 17: "Distributions of Non-cash Assets to Owners"
- IC Interpretation 18: "Transfers of Assets from Customers"
- Amendments to IC Interpretation 9: "Reassessment of Embedded Derivatives"

2 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company and are effective (continued)

- Improvements to FRSs (2010)
  - FRS 1 "First-time Adoption of Financial Reporting Standards"
  - FRS 3 "Business Combinations"
  - FRS 7 "Financial Instruments: Disclosures"
  - FRS 101 "Presentation of Financial Statements"
  - FRS 121 "The Effects of Changes in Foreign Exchange Rates"
  - FRS 132 "Financial Instruments: Presentation"
  - FRS 134 "Interim Financial Reporting"
  - FRS 139 "Financial Instruments: Recognition and Measurement"

The adoption of the above accounting standards, amendments and improvements to published standards and interpretations has resulted in changes of certain accounting policies and classification adopted by the Group and the Company as well as presentation of financial statements as follows:

(i) Amendments to FRS 7: "Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments"

Prior to 1 April 2011, information about financial instruments was disclosed in accordance with the requirements of FRS 7 "Financial Instruments: Disclosures". Amendments to FRS 7 require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy was introduced. Each class of financial instrument is to be classified in accordance to this hierarchy which reflects the inputs used in making the fair value measurement. It also reinforces the existing principles for disclosures on liquidity and credit risks.

The new requirement on the three-level fair value hierarchy has been applied prospectively in accordance with the transitional provisions of the FRS 7 Amendments. The adoption of this amendment did not have any financial impact to the Group and the Company.

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

(ii) FRS 3 "Business Combinations" (Revised) and FRS 127 "Consolidated and Separate Financial Statements" (Revised)

The revised FRS 3 "Business Combinations" is effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

2 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are applicable to the Group and the Company and are effective (continued)

(ii) FRS 3 "Business Combinations" (Revised) and FRS 127 "Consolidated and Separate Financial Statements" (Revised) (continued)

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The adoption of revised FRS 3 "Business Combinations" and revised FRS 127 "Consolidated and Separate Financial Statements" did not have any significant financial impact to the Group and the Company.

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

In the next financial year, the Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

(i) Financial year beginning on/after 1 April 2012

Applicable to the Group and the Company

- MFRS 139 "Financial Instruments: Recognition and Measurement"
- The revised MFRS 124 "Related Party Disclosures"
- Amendment to MFRS 112 "Income Taxes"
- Amendments to IC Interpretation 14 "MFRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction"
- Amendment to MFRS 1 "First Time Adoption on Fixed Dates and Hyperinflation"
- Amendment to MFRS 7 "Financial instruments: Disclosures on Transfers of Financial Assets"

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

Not applicable to the Group and the Company

- MFRS 141 "Agriculture"
- IC Interpretation 15 "Agreements for Construction of Real Estates"
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"

2 BASIS OF PREPARATION (CONTINUED)

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

(ii) Financial year beginning on/after 1 April 2013

Applicable to the Group and the Company

- MFRS 9 "Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities"
- MFRS 12 "Disclosures of Interests in Other Entities"
- MFRS 13 "Fair Value Measurement"
- The revised MFRS 127 "Separate Financial Statements"
- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income"
- Amendment to MFRS 119 "Employee Benefits"
- Amendment to MFRS 132 "Financial Instruments: Presentation"
- Amendment to MFRS 7 "Financial Instruments: Disclosures"

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

Not applicable to the Group and the Company

- MFRS 11 "Joint Arrangements"
- The revised MFRS 128 "Investments in Associates and Joint Ventures"
- IC Interpretation 20 "Stripping Costs in the Production Phase of a Surface Mine"

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in the statement of comprehensive income.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

Change in accounting policy

The Group has changed its accounting policy on business combinations and accounting for non-controlling interest when it adopted the revised FRS 3 "Business Combinations" and FRS 127 "Consolidated and Separate Financial Statements".

Previously, contingent consideration in a business combination was recognised when it is probable that payment will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

The Group has applied the new policies prospectively to transactions occurring on or after 1 April 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

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

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated statement of comprehensive income.

(b) Investments in subsidiaries

Investments in subsidiaries are shown at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(d) on impairment of non-financial assets.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recorded in the statement of comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the statement of comprehensive income. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

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%
Equipment and vehicles	10% - 33%

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

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

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

Gains and losses on disposals of the assets are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of non-financial assets

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

The impairment loss on non-financial assets stated at historical cost is charged to the statement 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 the recoverable amount is recognised in the statement of comprehensive income to the extent of the amount previously recorded as impairment unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(e) Inventories

Inventories, which include spares and operating supplies, raw materials, work-in-progress, supplies and finished goods, are stated at the lower of cost and net realisable value. Cost is determined using the weighted average 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.

(f) 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 recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(g) Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents 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.

(h) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

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

(i) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading including derivatives, unless they are designated as hedges. This category of financial assets is classified as current assets.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gain/loss arising from changes in fair value are recognised in the statement of comprehensive income. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in the statement of comprehensive income as part of other losses or other income.

(ii) Loans and receivables

Loans and receivables category comprises amounts due from subsidiary and related companies, receivables (excluding prepayment) and cash and cash equivalents as disclosed in Note 33 to the financial statements. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category of financial assets is classified as current assets unless the maturities are greater than twelve months in which case they are classified as non-current assets.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets are derecognised if the Group's and the Company's contractual rights to the cash flows from the financial assets expire or if the Group and the Company transfer the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group and the Company commit themselves to purchase or sell the asset.

(i) Impairment of financial assets

The Group and the Company assess as at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Assets carried at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of financial assets (continued)

(i) Assets carried at amortised cost (continued)

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

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amounts is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income.

(j) Financial liabilities

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial liabilities (continued)

(i) Financial liabilities at fair value through profit or loss

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

(ii) Other financial liabilities

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

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

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

(k) Trade payables

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

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

(l) Provisions

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined benefit plan

The Group operates an unfunded defined benefit plan, taking account of the recommendations of independent qualified actuaries. The accounting cost for the retirement benefits is assessed using the projected unit credit method. Under this method, the cost for providing the benefits is charged to the 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 year.

The pension obligation is measured at the present value of the estimate future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. All actuarial gains and losses are charged or credited to the statements of comprehensive income in the year of valuation.

(iii) 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.

(n) Current and deferred income taxes

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Current and deferred income taxes (continued)

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

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

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

(o) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income.

(p) 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. However, contingent liabilities do not include financial guarantee contracts.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on the straight line basis over the lease period.

(r) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividends to shareholders of the Company

Distributions to holders of an equity instrument are debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the financial year in which the dividends are approved. A dividend declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

(iii) Purchase of own shares

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

(s) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. 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.

(t) Financial instruments

(i) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial instruments (continued)

(i) Description (continued)

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.

(ii) Derivative financial instruments

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

(iii) Fair values

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

(u) 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.

(v) Financial guarantee contracts

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk 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 enters into currency forwards in the normal course of business to manage its exposure against foreign currency fluctuations on transactions denominated in foreign currencies. In general, the Group's policy is to enter into currency forwards for anticipated sales and purchases in foreign currencies. Refer to Note 21 to the financial statements for further details.

The Group does not apply hedge accounting.

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

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

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
At 31 March 2012				
Financial assets				
Trade receivables	18,302	422	-	18,724
Cash and cash equivalents	281	24	-	305
Amounts due from related companies	252	-	-	252
	18,835	446	-	19,281
Less: Financial liabilities				
Trade payables	(3,162)	(11)	(80)	(3,253)
Other payables and accruals	(1,074)	-	-	(1,074)
Amounts due to related companies	(60)	-	-	(60)
	(4,296)	(11)	(80)	(4,387)
Net financial assets/ (liabilities)	14,539	435	(80)	14,894
Less: Currency forward	(16,544)	-	-	(16,544)
Net currency exposure	(2,005)	435	(80)	(1,650)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

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

	USD RM'000	SGD RM'000	Total RM'000
At 31 March 2012			
Financial assets			
Trade receivables	6,390	422	6,812
Cash and cash equivalents	281	24	305
Amounts due from related companies	252	-	252
	6,923	446	7,369
Less: financial liabilities			
Trade payables	(3,130)	(11)	(3,141)
Other payables and accruals	(929)	-	(929)
Amounts due to related companies	(60)	-	(60)
	(4,119)	(11)	(4,130)
Net financial assets	2,804	435	3,239
Less: Currency forward	(8,410)	-	(8,410)
Net currency exposure	(5,606)	435	(5,171)

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities for functional currency in RM are 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
Amounts due from related companies	252	-	-	252
	20,613	78	-	20,691
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)	14,725	(21)	(127)	14,577
Less: Currency forward	(20,886)	-	-	(20,886)
Net currency exposure	(6,161)	(21)	(127)	(6,309)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

The Company's exposure to foreign currencies in respect of its financial assets and financial liabilities for functional currency in RM are 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
Amounts due from related companies	252	-	-	252
	7,554	78	0	7,632
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)	1,707	(21)	(34)	1,652
Less: Currency forward	(7,830)	-	-	(7,830)
Net currency exposure	(6,123)	(21)	(34)	(6,178)

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax to 5% (2011 : 5%) strengthening of USD and SGD, respectively against the RM, with all other variables, in particular interest rates, being held constant.

	Increase/(decrease) 2012 RM'000	2011 RM'000
Group		
USD against RM	(75)	(231)
SGD against RM	16	(1)
Company		
USD against RM	(210)	(230)
SGD against RM	16	(1)

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

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

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

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

(b) Interest rate risk

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

(c) Credit risk

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

Exposure to credit risk

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

Details of the financial assets are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 31 March 2012				
Not past due	68,154	78,590	51,849	60,160
Past due not impaired:				
- 0 to 2 months	3,550	4,248	2,015	3,189
- 2 to 6 months	479	544	479	544
	72,183	83,382	54,343	63,893

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables	3,777	4,540	2,242	3,481
Amounts due from related companies	252	252	252	252
	4,029	4,792	2,494	3,733

Receivables that are past due but not impaired are principally less than 180 days past due. No impairment has been made on these amounts as the Group is closely monitoring these receivables and they have no prior history of bad or doubtful debts. No allowance for impairment has been made in respect of these receivables in the current and previous financial year, hence the movement in allowance for impairment is not presented.

(d) Liquidity risk

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

As at reporting date, the Group and Company held cash and cash equivalents of RM36,807,000 (2011: RM51,365,000) and RM26,411,000 (2011: RM23,929,000) respectively that are expected to readily generate cash inflows for managing liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

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

	Due within one year	
	2012	2011
	RM'000	RM'000
Group		
Financial liabilities		
Trade payables	(13,794)	(15,984)
Other payables and accruals	(4,069)	(6,390)
Amounts due to related companies	(60)	(14)
	(17,923)	(22,388)
Company		
Financial liabilities		
Trade payables	(11,661)	(12,361)
Other payables and accruals	(3,551)	(6,169)
Amounts due to related companies	(980)	(1,214)
	(16,192)	(19,744)

The table below analyses the Group's 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 financial period from the reporting date to the contractual maturity date.

	Due within one year	
	2012	2011
	RM'000	RM'000
Group		
Gross-Settled currency forwards		
- Receipts	16,334	21,082
- Payments	(16,545)	(20,885)
Company		
Gross-Settled currency forwards		
- Receipts	8,303	7,896
- Payments	(8,410)	(7,830)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Estimated impairment of property, plant and equipment

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

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

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

(b) Income taxes

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

(c) Fair value

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

Fair value estimation

The disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Fair value (continued)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 March 2012:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
Liabilities				
Derivative financial instruments	-	(211)	-	(211)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
Liabilities				
Derivative financial instruments	-	(107)	-	(107)

(d) Capital management

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

The Group considers that the capital of the Group relates only to the share capital and this remained unchanged from the prior year.

6 REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sale of finished goods	274,372	296,586	270,658	287,359
Sale of scrap and tolling charges	213	80	213	8
	274,585	296,666	270,871	287,367

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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

7 OTHER OPERATING INCOME

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest income on				
- short-term deposits	797	905	400	479
- trade receivables	35	8	34	8
Gain on disposal of property, plant and equipment	58	26	58	9
Rental income	-	-	612	612
Miscellaneous income	53	60	25	45
	943	999	1,129	1,153

8 PROFIT FROM OPERATIONS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit from operations is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit	156	151	106	101
- other services	12	12	12	12
Hire of machinery and equipment	446	436	388	387
(Gain)/ loss on foreign exchange				
- realised	(804)	(174)	(428)	(256)
- unrealised	(221)	150	(84)	52
Net fair value loss/(gain) of currency forward	211	(197)	107	(66)

The cost of goods sold for the Group and the Company recognised as an expense during the financial year amounted to RM265,060,000 and RM260,004,000 respectively (2011: RM281,543,000 and RM273,992,000).

9 STAFF COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages, salaries and bonus	18,379	19,915	15,978	17,502
Defined contribution retirement plan	2,002	2,000	1,822	1,819
Defined benefit retirement plan	1,106	725	867	680
Other employee benefits	1,548	1,076	1,456	986
	23,035	23,716	20,123	20,987

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

10 DIRECTORS' REMUNERATION

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-executive Directors:				
- fees	136	136	136	136
Executive Directors:				
- Salaries and bonus	1,389	630	1,389	630
- Defined contribution retirement plan	90	94	90	94
- Estimated monetary value of benefits-in-kind	417	26	417	26
	1,896	750	1,896	750
	2,032	886	2,032	886

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.

11 FINANCE COST

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Bank and other financial charges	308	352	232	279

12 TAX EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax				
Current year	677	3,163	677	2,988
Over provision in prior years	(44)	(331)	(52)	(306)
	633	2,832	625	2,682
Deferred taxation (Note 27)				
Origination and reversal of temporary differences	(14)	(1,173)	670	(1,184)
Under provision in prior years	106	170	95	248
	92	(1,003)	765	(936)
Tax expense	725	1,829	1,390	1,746

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

12 TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax	2,412	7,979	4,910	7,131
Tax calculated at the Malaysian tax rate of 25% (2011: 25%)	603	1,995	1,228	1,783
Tax effects of:				
- expenses not deductible for tax purposes	169	98	163	71
- double deduction claims	(109)	(103)	(44)	(50)
Over/(under) provision in prior years	62	(161)	43	(58)
Tax expense	725	1,829	1,390	1,746

13 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	
	2012	2011
Net profit attributable to shareholders (RM'000)	1,687	6,150
Weighted average number of ordinary shares in issue ('000)	132,252	132,252
Basic earnings per share (sen)	1.28	4.7

(b) Diluted earnings per share

	Group	
	2012	2011
Diluted earnings per share (sen)	1.28	4.7

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

14 DIVIDENDS

	Group and Company			
	2012		2011	
	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 2012				
- paid on 8 August 2011, less 25% tax	7.5	7,439	-	-
Financial year ended 31 March 2011				
- paid on 23 August 2010, less 25% tax	-	-	7.5	7,439
Recognised as distribution to ordinary equity holders of the Company during the financial year	7.5	7,439	7.5	7,439

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and vehicles RM'000	Projects-in progress RM'000	Total RM'000
Group						
2012						
Cost or valuation						
At beginning of the year						
- Cost	-	13,715	246,179	7,352	10,880	278,126
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,915	246,179	7,352	10,880	308,326
Additions	-	-	-	-	20,289	20,289
Disposals	-	-	(2,359)	(925)	-	(3,284)
Reclassifications	-	3,176	22,130	881	(26,187)	-
At end of the year	20,000	27,091	265,950	7,308	4,982	325,331
Accumulated depreciation						
At beginning of the year	5,373	15,794	190,267	6,189	-	217,623
Charge for the year	189	754	9,647	449	-	11,039
Disposals	-	-	(2,359)	(711)	-	(3,070)
At end of the year	5,562	16,548	197,555	5,927	-	225,592
Accumulated impairment loss						
At beginning/end of the year	-	-	125	-	-	125
Carrying amount						
- Cost	-	9,546	68,270	1,381	4,982	84,179
- Valuation	14,438	997	-	-	-	15,435
	14,438	10,543	68,270	1,381	4,982	99,614

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

15 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						
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/end of the year	-	-	125	-	-	125
Carrying amount						
- 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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

15 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						
2012						
Cost or valuation						
At beginning of the year						
- Cost	-	13,709	211,602	6,855	10,803	242,969
- Valuation	20,000	10,200	-	-	-	30,200
	20,000	23,909	211,602	6,855	10,803	273,169
Additions	-	-	-	-	18,739	18,739
Disposals	-	-	(2,166)	(878)	-	(3,044)
Reclassifications	-	3,182	21,844	879	(25,905)	-
At end of the year	20,000	27,091	231,280	6,856	3,637	288,864
Accumulated depreciation						
At beginning of the year	5,373	15,788	167,070	5,751	-	193,982
Charge for the year	189	760	8,149	433	-	9,531
Disposals	-	-	(2,166)	(665)	-	(2,831)
At end of the year	5,562	16,548	173,053	5,519	-	200,682
Carrying amount						
- Cost	-	9,546	58,227	1,337	3,637	72,747
- Valuation	14,438	997	-	-	-	15,435
	14,438	10,543	58,227	1,337	3,637	88,182

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

15 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
Carrying amount						
- 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

Valuation of Property, Plant and Equipment

The Directors have applied the transitional provisions of International Accounting Standard No. 16 (Revised) Property, Plant and Equipment as adopted by the Malaysia Accounting Standard Board which allows the land and building to be stated at their valuation less depreciation and does not require the asset to be revalued on a periodic basis. Accordingly, these valuations have not been updated.

Land and building were last revalued on 17 July 1984 by Th'ng Kim Kok, member of Institute of Surveyors, Malaysia, a Chartered Valuation Surveyor with Colliers, Jordan Lee & Jaafar Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group and Company	
	2012	2011
	RM'000	RM'000
Carrying amount of revalued long leasehold land and buildings had these assets been carried at cost less accumulated depreciation:		
- Leasehold land	9,074	9,192
- Buildings	1,107	1,386
	10,181	10,578

Based on management's assessment, the recoverable amount of property, plant and equipment as at 31 March 2012, based on value-in-use ("VIU") is RM249 million, which is in excess of its carrying amount of RM99 million by RM150 million.

On this basis, management is of the view that no impairment is necessary with respect to property, plant and equipment.

(a) Key assumptions used in the VIU calculation

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

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

- Sales volumes were anticipated to be running at capacity based on historical trend and expected forecast sales.
- Distribution and logistics costs are in line with the growth/decline based on production units.
- A discount rate of 5% has been applied to the cash flow projections.

(b) Impact of possible change in key assumptions

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

- If the discount rate used was 8%, the recoverable amount would be lower by RM101 million.
- If the selling price differs by 2% from management's estimates, the recoverable amount would be higher or lower by RM37 million.
- If the sales volume differs by 5% from management's estimates, the recoverable amount would be higher or lower by RM47 million.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

16 SUBSIDIARIES

	Company 2012 RM'000	Company 2011 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 2012 %	Company's effective interest 2011 %
Alcom Nikkei Specialty Coatings Sdn Bhd	Manufacturing and trading of pre-coated finstocks for use in air-conditioners	Malaysia	100	100
AL DOTCOM Sdn Bhd	Dormant	Malaysia	100	100

17 INVENTORIES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Raw materials	4,778	5,244	3,654	4,057
Work-in-progress	20,262	24,708	19,380	24,159
Finished goods	9,127	10,434	5,852	6,834
Operating supplies and spare parts	12,016	11,243	10,157	9,672
	46,183	51,629	39,043	44,722

18 TRADE RECEIVABLES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Trade receivables	35,466	34,373	17,825	19,210
Less: Allowance for impairment	-	-	-	-
	35,466	34,373	17,825	19,210

Credit terms of trade receivables of the Group and the Company range from 7 days to 75 days (2011: 7 days to 75 days).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

19 AMOUNTS DUE FROM RELATED COMPANIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade				
Amounts due from:				
- subsidiary companies	-	-	9,929	21,336
Non-trade				
Amounts due from:				
- subsidiary companies	-	-	307	403
- other related companies	252	252	252	252
	252	252	559	655
Total	252	252	10,488	21,991

The trade balances due from subsidiary companies are unsecured, interest free and have credit terms ranging from 30 to 60 days (2011: 30 to 60 days). The non-trade balances due from other related companies are unsecured, interest free and have no fixed terms of repayment.

20 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Prepayments and advances	298	714	182	706
Deposits	201	117	173	103
Employee loans and other receivables	180	155	149	98
Total	679	986	504	907

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2012		2011	
	Notional amount RM'000	Fair value RM'000	Notional amount RM'000	Fair value RM'000
(Liabilities)/Asset				
Forward foreign currency exchange contracts	(16,334)	(211)	21,082	197

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

21 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Company			
	2012		2011	
	Notional amount RM'000	Fair value RM'000	Notional amount RM'000	Fair value RM'000
(Liabilities)/Assets				
Forward foreign currency exchange contracts	(8,303)	(107)	7,896	66

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 range between 1 to 2 months.

The fair value of the forward foreign exchange contracts of the Group and the Company which has been recognised at the reporting date was a deficit net position of RM211,000 (2011: surplus RM197,000) and RM107,000 (2011: surplus RM66,000) respectively. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

22 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits with licensed banks	36,084	48,485	25,708	22,491
Cash and bank balances	723	2,880	703	1,438
	36,807	51,365	26,411	23,929

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

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Deposits with licensed banks	2.57	2.43	2.53	2.51

The deposits of the Group and the Company have maturity periods which range from overnight to 16 days (2011: overnight to 15 days). Bank balances are deposits held at call with banks and are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

23 TRADE PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables	7,750	7,741	6,147	4,815
Trade related accruals	2,819	3,856	2,525	3,434
Payroll related accruals				
- provision for retirement benefits (Note 26)	303	168	303	168
- others	2,922	4,219	2,686	3,944
	13,794	15,984	11,661	12,361

Credit terms of trade payables granted to the Group and the Company vary from 7 days to 90 days (2011: 15 days to 90 days) terms from month end.

24 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Plant and equipment suppliers payable	1,508	4,782	1,508	4,716
Other accruals and sundry payables	2,561	1,608	2,043	1,453
	4,069	6,390	3,551	6,169

25 AMOUNTS DUE TO RELATED COMPANIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade				
Amounts due to subsidiary company	-	-	920	1,200
Non-trade				
Amounts due to other related companies	60	14	60	14
Total	60	14	980	1,214

The trade balances due to subsidiary company is unsecured, interest free and have credit terms of 7 days to 30 days (2011: 7 days to 30 days). The non-trade balances due to other related companies are unsecured, interest free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

26 PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Defined benefit retirement plan				
At beginning of the year	5,875	6,064	5,457	5,691
Charged to the statements of comprehensive income*	1,105	725	867	680
Benefits paid	(331)	(914)	(331)	(914)
At end of the year	6,649	5,875	5,993	5,457
Represented by:				
Present value of unfunded obligations	6,649	5,875	5,993	5,457
Reflected on the statement of financial position as:				
Current (Note 23)	303	168	303	168
Non-current	6,346	5,707	5,690	5,289
	6,649	5,875	5,993	5,457
The movement in the present value of unfunded obligations are as follows:				
Defined benefit retirement plan				
At beginning of the year	5,875	6,064	5,457	5,691
Current service cost	405	314	371	285
Interest cost	272	256	251	239
Actuarial losses	428	155	245	156
Benefits paid	(331)	(914)	(331)	(914)
At end of the year	6,649	5,875	5,993	5,457
* The charge to the statement of comprehensive income is analysed as follows:				
Current service cost	405	314	371	285
Interest cost	272	256	251	239
Actuarial losses	428	155	245	156
	1,105	725	867	680

26 PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

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

	Group and Company	
	2012	**2011**
	%	**%**
Discount rate	3.7	4.5
Expected average rate of salary increases	5.0	4.3

The Group operates an unfunded final salary defined benefit plan for its employees. Independent actuaries value the scheme every year using the projected unit credit actuarial cost method. The latest actuarial valuation was carried out on 31 March 2012.

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	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Present value of unfunded obligations	6,649	5,875	5,993	5,457
Experience loss adjustment on plan liabilities	428	155	245	156

27 DEFERRED TAXATION

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax liabilities:				
At start of year	8,672	9,675	6,321	7,257
Charged/ (credited) to statement of comprehensive income: (Note 12)				
- property, plant and equipment	317	(639)	605	(493)
- provisions and allowances	(225)	(364)	160	(443)
	92	(1,003)	765	(936)
At end of year	8,764	8,672	7,086	6,321

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

27 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	12,825	12,508	10,491	9,886
Offsetting	(4,061)	(3,836)	(3,405)	(3,565)
Deferred tax liabilities (after offsetting)	8,764	8,672	7,086	6,321
Deferred tax assets (before offsetting)				
- provisions and allowances	(4,061)	(3,836)	(3,405)	(3,565)
Offsetting	4,061	3,836	3,405	3,565
Deferred tax assets (after offsetting)	-	-	-	-

28 SHARE CAPITAL

	Group and Company	
	2012 RM'000	2011 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 2012, the Company did not repurchase any of its issued share capital from the open market (2011: Nil). Shares repurchased are being held as treasury shares (Note 29) 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.

As at the date of reporting, the total 134,330,848 (2011: 134,330,848) issued and fully paid ordinary shares, 2,079,000 (2011: 2,079,000) are held as treasury shares by the Company. The number of shares with voting rights in issued and fully paid share capital is 132,251,848 (2011: 132,251,848) ordinary shares of RM1.00 each.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

29 REVALUATION AND OTHER RESERVES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 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.

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.

30 REVENUE RESERVE

Subject to agreement by the tax authority the Company has sufficient Section 108 tax credits and tax exempt income to frank approximately RM9,554,000 (2011: RM16,994,000) of the revenue reserve of the Company as at 31 March 2012 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

31 CAPITAL COMMITMENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Authorised capital expenditure for property, plant and equipment not provided for in the financial statements are as follows:				
- contracted	2,382	8,710	671	8,556
- not contracted	3,254	5,022	2,921	4,988
	5,636	13,732	3,592	13,544

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income				
Sales of finished goods to:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	102,842	107,316
- Hindalco Industries Limited, ultimate holding company	1,558	-	1,558	-
Sales of scraps to:				
- Novelis Korea Ltd, a related company incorporated in Korea	203	-	203	-
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

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions (continued)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Expenditure				
Purchases of materials from:				
- Novelis Korea Ltd, a related company incorporated in Korea	-	6,129	-	6,129
- Hindalco Industries Limited, ultimate holding company	-	1,034	-	1,034
Purchases of scrap from:				
- Alcom Nikkei Specialty Coatings Sdn Bhd, a subsidiary incorporated in Malaysia	-	-	10,216	9,796
Technical service fees charged by				
- Novelis Inc., immediate holding company	400	299	268	199

(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 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Key management remuneration are as follows:				
- Salaries and bonus	3,210	2,452	2,530	1,816
- Defined contribution retirement plan	158	151	158	151
- Estimated monetary value of benefits-in-kind	705	351	638	284
	4,073	2,954	3,326	2,251

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

33 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loan and receivables				
Current				
Trade receivables	35,466	34,373	17,825	19,210
Amounts due from related companies	252	252	10,488	21,991
Other receivables (excluding prepayments)	381	272	322	201
Cash and cash equivalents	36,807	51,365	26,411	23,929
	72,906	86,262	55,046	65,331
Fair value through profit or loss				
Derivative financial instruments	-	197	-	66
Other financial liabilities at amortised cost				
Current				
Trade payables	(13,794)	(15,984)	(11,661)	(12,361)
Other payables and accruals	(4,069)	(6,390)	(3,551)	(6,169)
Amounts due to related companies	(60)	(14)	(980)	(1,214)
	(17,923)	(22,388)	(16,192)	(19,744)
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	(211)	-	(107)	-

(b) Expenses, gains and losses on financial instruments

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Derivatives				
Net fair value loss/(gain) on currency forward	211	(197)	107	(66)
Loan and receivables				
Interest income:				
- short term deposits	(797)	(905)	(400)	(479)
- trade receivables	(35)	(8)	(34)	(8)
	(832)	(913)	(434)	(487)
Other financial liabilities at amortised cost				
Finance costs	308	352	232	279

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

34 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia *	145,279	160,722	219,796	229,829	20,289	15,627
Asia	98,211	104,902	-	-	-	-
Other regions	31,095	31,042	-	-	-	-
	274,585	296,666	219,796	229,829	20,289	15,627

* Included in sales to Malaysian customers are sales to customers in the Licensed Manufacturing Warehouse and Free Trade Zone areas amounting to RM43,330,000 (2011: RM46,455,000).

35 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 May 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

36 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 2012 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained profits of the Company and its subsidiaries				
- Realised	52,669	58,611	32,846	36,568
- Unrealised	4,071	3,883	3,382	3,579
	56,740	62,494	36,228	40,147
Less: Consolidation adjustments	(10,769)	(10,771)	-	-
Retained profits as per financial statements	45,971	51,723	36,228	40,147

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

STATEMENT BY DIRECTORS

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

We, Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar and Sachin Yeshawant Satpute, 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 47 to 95 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 2012 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.

The information set out in Note 36 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Lisitng Requirements, as issued by the Malaysian Institutions of Accountant.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 May 2012.

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

SACHIN YESHAWANT SATPUTE
Director

Bukit Raja, Klang

STATUTORY DECLARATION

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

I, Bernard William A/L William G. Gomez, the Officer primarily responsible for the financial management of Aluminium Company of Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 96 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

BERNARD WILLIAM A/L WILLIAM G. GOMEZ

Subscribed and solemnly declared by the abovenamed Bernard William A/L William G. Gomez at Bukit Raja in Malaysia on 28 May 2012 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. 003859 U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Aluminium Company of Malaysia Berhad on pages 47 to 95, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on Notes 1 to 35.

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 2012 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. 003859 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 36 on page 96 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

NG GAN HOOI
(No. 2914/04/13 (J))
Chartered Accountant

Kuala Lumpur
28 May 2012

PROPERTY HELD BY THE GROUP

AS AT 31 MARCH 2012

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 21 to 30	RM25.0 million	1985

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 29 JUNE 2012

ANALYSIS BY SIZE OF SHAREHOLDINGS

Category	Shareholders	%	Shareholdings	%
Less than 100	168	4.41	4,014	0.00
100 to 1,000	794	20.85	675,888	0.51
1,001 to 10,000	2,023	53.14	9,739,799	7.36
10,001 to 100,000	740	19.44	21,305,868	16.11
100,001 to less than 5% of issued shares	81	2.13	22,292,225	16.86
5% and above of issued shares	1	0.03	78,234,054	59.16
TOTAL	3,807	100.00	132,251,848	100.00

LIST OF DIRECTORS' SHAREHOLDINGS

No	Name	No. of Shares	%
1	Y.A.M TUNKU TAN SRI IMRAN IBNI ALMARHUM TUANKU JA'AFAR	0	0.00
2	THOMAS FELIX BONEY	0	0.00
3	DATO' KOK WEE KIAT	0	0.00
4	Y.M TENGKU YUNUS KAMARUDDIN *Shares Held through Own Name 114,500*	114,500	0.09
5	PAUL ALLEN STADNIKIA	0	0.00
6	SHASHI KANT MAUDGAL	0	0.00

30 LARGEST SHAREHOLDERS

No	Name	No. of Shares	%
1	NOVELIS INC.	78,234,054	59.16
2	TOH KAM CHOY	1,029,000	0.78
3	AMANAHRAYA TRUSTEES BERHAD *Public Islamic Equity Fund*	892,200	0.67
4	LEE YU YONG @ LEE YUEN YING	885,400	0.67
5	LIM KIAN HUAT	869,000	0.66
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ong Kok Thye*	833,300	0.63
7	YEOH AH TU	742,200	0.56
8	SHOPTRA JAYA (M) SDN BHD	715,600	0.54
9	KUMPULAN WANG SIMPANAN GURU-GURU	703,900	0.53
10	YEOH KEAN HUA	564,000	0.43
11	TAY KAK CHOK	546,200	0.41
12	LIM KA EA	545,000	0.41
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Pledged Securities Account for Ong Kok Thye (E-Spi)*	483,300	0.37
14	LOH LOON TEIK SDN.BHD.	470,000	0.36
15	TANG YET SIONG @ TANG YIK SIONG	439,500	0.33
16	CHONG KOK FAH	435,000	0.33
17	KURNIA INSURANS (MALAYSIA) BERHAD	423,100	0.32
18	GOH BENG BENG	394,000	0.3
19	WENTEL CORPORATION SDN.BHD.	384,000	0.29
20	SING FOONG YIN	361,200	0.27
21	LIM BEE HOE	334,600	0.25
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD *Yeoh Ah Tu*	317,000	0.24
23	KHOR MEOW SIANG	302,500	0.23
24	SEN AH KOW @ CHENG LIP KONG	300,000	0.23
25	LIM KUI HUA	290,000	0.22
26	LOH TEIK CHYE @ LOH LOON TEIK	290,000	0.22
27	PERMODALAN NASIONAL BERHAD	287,300	0.22
28	LIEW KON MUN	251,900	0.19
29	CHONG KOON SIN @ CHONG HIUN SHIN	241,800	0.18
30	KUMPULAN WANG SIMPANAN GURU-GURU	233,000	0.18

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Form of Proxy

FIFTY-FIRST ANNUAL GENERAL MEETING

Aluminium Company of Malaysia Berhad
(3859-U)

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

of ____
(Address)

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

____
(Full name in block capitals)

of ____
(Address)

or failing him ____
(Full name in block capitals)

of ____.
(Address)

as my/our proxy to attend and vote for me/us on my/our behalf at the Fifty-First 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, 30 August 2012 at 12.00 noon and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

			FOR	AGAINST
1.	Resolution 1	Re-election of Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tunku Ja'afar as Director		
2.	Resolution 2	Re-election of Thomas Felix Boney as Director		
3.	Resolution 3	Re-election of Shashi Kant Maudgal as Director		
4.	Resolution 4	Re-election of Paul Allen Stadnikia as Director		
5.	Resolution 5	Re-appointment of Dato' Kok Wee Kiat as Director		
6.	Resolution 6	Re-appointment of Y.M. Tengku Yunus Kamaruddin as Director		
7.	Resolution 7	Approval of payment of Directors' Fee of RM136,000		
8.	Resolution 8	Re-appointment of Messrs PricewaterhouseCoopers as Auditors and to authorize the Directors to fix the Auditors' Remuneration		
9.	Resolution 9	As Special Business: Ordinary Resolution Authority under Section 132D of the Companies Act, 1965, for the Directors to issue shares		
10.	Resolution 10	As Special Business: Ordinary Resolution – Proposed Renewal of Authority for the Purchase by the Company of its Own Shares		
11.	Resolution 11	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 ____________2012 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.

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AFFIX
STAMP

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

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ALUMINIUM COMPANY OF MALAYSIA BERHAD (3859-U)

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

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Telefax : 03-3341 2793